

§ 3015. Eligibility of cooperatives**(a) General requirements**

For the purpose of all subchapters of this chapter, subject to the limitations of subsection (d) of this section, an eligible cooperative is an organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services or facilities, primarily for the benefit of its members or voting stockholders who are ultimate consumers of such goods, services, or facilities, or a legally chartered entity primarily owned and controlled by any such organization or organizations, if it—

(1) makes such goods, services or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved under the bylaws of the Bank;

(3) provides that its net savings shall be allocated or distributed to all members or patrons, in proportion to their patronage, or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its purposes;

(4) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations;

(5) in the case of primary cooperative organizations restricts its voting control to members or voting stockholders on a one vote per person basis (except that this requirement shall not apply to any housing cooperative in existence on March 21, 1980, which did not meet such requirement on such date) and takes positive steps to insure economic democracy and maximum participation by members of the cooperative including the holding of annual meetings and, in the case of organizations owned by groups of cooperatives, provides positive protections to insure economic democracy; and

(6) is not a credit union, mutual savings bank, or mutual savings and loan association.

(b) Primary producers

No organization shall be ineligible because it produces, markets, or furnishes goods, services, or facilities on behalf of its members as primary producers, unless the dollar volume of loans made by the Bank to such organizations exceeds 10 per centum of the gross assets of the Bank.

(c) “Net savings” defined

As used in this section, the term “net savings” means, for any period, the borrower’s gross receipts, less the operating and other expenses deductible therefrom in accordance with generally accepted accounting principles, including, without limitation, contributions to allowable reserves, and after deducting the amounts of any

dividends on its capital stock or other membership capital payable during, or within forty-five days after, the close of such period.

(d) Cooperatives eligible for other Federal credit assistance

An eligible cooperative which also has been determined to be eligible for credit assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, the Banks for Cooperatives or other institutions of the Farm Credit System, or the Farmers Home Administration may receive the assistance authorized by this chapter only (1) if the Bank determines that a request for assistance from any such source or sources has been rejected or denied solely because of the unavailability of funds from such source or sources, or (2) by agreement between the Bank and the agency or agencies involved.

(e) Credit unions eligible for technical assistance from Office of Self-Help Development and Technical Assistance

Notwithstanding any other provision of this section, a credit union serving predominantly low-income members (as defined by the Administrator of the National Credit Union Administration) may receive technical assistance under subchapter II.

(Pub. L. 95-351, title I, §105, Aug. 20, 1978, 92 Stat. 506; Pub. L. 97-35, title III, §394(e)(1), (f), Aug. 13, 1981, 95 Stat. 436, 437; Pub. L. 115-334, title VI, §6602(b)(18), Dec. 20, 2018, 132 Stat. 4777.)

Editorial Notes**REFERENCES IN TEXT**

All subchapters of this chapter, referred to in subsec. (a), was in the original “all titles of this Act”, meaning titles I to III of Pub. L. 95-351. Titles I and II constitute this chapter and title III amended section 5315 of Title 5, Government Organization and Employees, and sections 856, 867, and 868 of former Title 31, Money and Finance.

AMENDMENTS

2018—Subsec. (d). Pub. L. 115-334 struck out “the Rural Telephone Bank,” after “the National Rural Utilities Cooperative Finance Corporation.”

1981—Subsec. (a). Pub. L. 97-35, §394(e)(1), substituted “primarily owned” for “entirely owned”.

Subsec. (a)(5). Pub. L. 97-35, §394(f), inserted provisions relating to exception for housing cooperatives in existence on Mar. 21, 1980.

Statutory Notes and Related Subsidiaries**EFFECTIVE DATE OF 1981 AMENDMENT**

Pub. L. 97-35, title III, §394(e)(2), Aug. 13, 1981, 95 Stat. 437, provided that: “The amendment made by paragraph (1) [amending this section] shall take effect on the day after the Final Government Equity Redemption Date [Dec. 31, 1981].” For definition of “Final Government Equity Redemption Date”, see section 396(a) of Pub. L. 97-35, set out as a note under section 3012 of this title.

TRANSFER OF FUNCTIONS

Functions vested in Administrator of National Credit Union Administration transferred and vested in National Credit Union Administration Board pursuant to section 1752a of this title.

§ 3016. Annual meetings; notice, agenda, etc.

The Bank shall hold an annual meeting of its stockholders which shall be open to the public.