

assets and liabilities by a cooperative to the extent that the net amount of the distribution is immediately reinvested in stock of a consolidated bank (and in such case the basis of such stock shall be appropriately reduced by the amount of gain not recognized by reason of this sentence).

(Pub. L. 92-181, title III, § 3.27, as added Pub. L. 100-233, title IV, § 415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, § 407(g), Aug. 17, 1988, 102 Stat. 1001.)

Editorial Notes

AMENDMENTS

1988—Pub. L. 100-399 substituted “cooperative” for “taxable institution”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

§ 2149. Lending limits

The Farm Credit Administration may not establish lending limits for the consolidated bank with respect to any loans or borrowers that are more restrictive than the combined lending limits that were previously established by the Farm Credit Administration for the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233) with respect to such loans or borrowers.

(Pub. L. 92-181, title III, § 3.28, as added Pub. L. 100-233, title IV, § 415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 115-334, title V, § 5411(15), Dec. 20, 2018, 132 Stat. 4680.)

Editorial Notes

AMENDMENTS

2018—Pub. L. 115-334 substituted “the constituent banks described in section 413(b) of the Agricultural Credit Act of 1987 (12 U.S.C. 2121 note; Public Law 100-233)” for “a district bank for cooperatives and the Central Bank for Cooperatives”.

§ 2149a. Repealed. Pub. L. 115-334, title V, § 5411(16), Dec. 20, 2018, 132 Stat. 4680

Section, Pub. L. 92-181, title III, § 3.29, formerly title VII, § 7.5, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1646; renumbered § 3.29, Pub. L. 100-399, title IV, § 408(e), Aug. 17, 1988, 102 Stat. 1001, related to reports by merged banks for cooperatives.

Section was classified to section 2279a-5 of this title prior to renumbering by Pub. L. 100-399.

SUBCHAPTER IV—PROVISIONS APPLICABLE TO TWO OR MORE CLASSES OF INSTITUTIONS OF THE SYSTEM

PART A—FUNDING

§ 2151. Repealed. Pub. L. 115-334, title V, § 5411(17), Dec. 20, 2018, 132 Stat. 4680

Section, Pub. L. 92-181, title IV, § 4.0, Dec. 10, 1971, 85 Stat. 609; Pub. L. 99-205, title I, § 101(1), Dec. 23, 1985, 99 Stat. 1678; Pub. L. 100-233, title II, § 202, Jan. 6, 1988, 101

Stat. 1605; Pub. L. 100-399, title II, § 202, Aug. 17, 1988, 102 Stat. 992, related to the revolving fund in effect immediately before Jan. 6, 1988.

§ 2152. Repealed. Pub. L. 100-233, title II, § 207(a)(1), Jan. 6, 1988, 101 Stat. 1607

Section, Pub. L. 92-181, title IV, § 4.1, as added Pub. L. 99-205, title I, § 104, Dec. 23, 1985, 99 Stat. 1687, contained requirements for purchase of stock and payment of assessments and contribution of capital to Capital Corporation.

A prior section 2152, Pub. L. 92-181, title IV, § 4.1, Dec. 10, 1971, 85 Stat. 609, related to revolving funds and government deposits, prior to repeal, effective thirty days after Dec. 23, 1985, by Pub. L. 99-205, title I, § 101(2), Dec. 23, 1985, 99 Stat. 1678.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Pub. L. 100-233, title II, § 207(b), Jan. 6, 1988, 101 Stat. 1607, provided that: “The repeals made by subsection (a) [repealing this section and sections 2216 to 2216k, and 2252(a)(8) of this title] shall take effect 15 days after the date of the enactment of this Act [Jan. 6, 1988].”

§ 2153. Power to borrow; issuance of notes, bonds, debentures, and other obligations

Each of the banks of the System, in order to obtain funds for its authorized purposes, shall have power, subject to regulation by the Farm Credit Administration, and subject to the limitations of paragraph (e) of this section, to—

(a) Borrow money from or loan to any other institution of the System, borrow from any commercial bank or other lending institution, issue its notes or other evidence of debt on its own individual responsibility and full faith and credit, and invest its excess funds in such sums, at such times, and on such terms and conditions as it may determine.

(b) Issue its own notes, bonds, debentures, or other similar obligations, fully collateralized as provided in section 2154(c) of this title by the notes, mortgages, and security instruments it holds in the performance of its functions under this chapter in such sums, maturities, rates of interest, and terms and conditions of each issue as it may determine with approval of the Farm Credit Administration.

(c) Join with any or all banks organized and operating under the same subchapter of this chapter in borrowing or in issuance of consolidated notes, bonds, debentures, or other obligations as may be agreed with approval of the Farm Credit Administration.

(d) Join with other banks of the System in issuance of System-wide notes, bonds, debentures, and other obligations in the manner, form, amounts, and on such terms and conditions as may be agreed upon with approval of the Farm Credit Administration. Such System-wide issue by the participating banks and such participations by each bank shall not exceed the limits to which each such bank is subject in the issuance of its individual or consolidated obligations and each such issue shall be subject to approval of the Farm Credit Administration: *Provided, however*, There shall be no issues of System-wide obligations without the concurrence of the boards of directors of each bank and the ap-

proval of the Farm Credit Administration for such issues shall be conditioned on and be evidence of the compliance with this provision.

(e) No bank or banks shall issue notes, bonds, debentures, or other obligations individually or in concert with one or more banks of the System other than through the Federal Farm Credit Banks Funding Corporation under any provision of this chapter except under subsection (a) of this section: *Provided*, That any bank or banks may issue investment bonds or like obligations other than through the Federal Farm Credit Banks Funding Corporation if the interest rate is not in excess of the interest allowable on savings deposits of commercial banks of comparable amounts and maturities under Federal Reserve regulation on its member banks.

(Pub. L. 92-181, title IV, §4.2, Dec. 10, 1971, 85 Stat. 610; Pub. L. 99-205, title II, §205(f)(1), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title IV, §418(b), formerly §415(b), Jan. 6, 1988, 101 Stat. 1653, renumbered §418(b), Pub. L. 100-399, title IV, §409(a), Aug. 17, 1988, 102 Stat. 1003; Pub. L. 100-399, title II, §203(e), Aug. 17, 1988, 102 Stat. 993.)

Editorial Notes

AMENDMENTS

1988—Subsec. (d). Pub. L. 100-233 substituted “the boards of directors of each bank” for “the boards of directors of each of the 12 districts and the Central Bank for Cooperatives”.

Subsec. (e). Pub. L. 100-399, §203(e), substituted “System other than through the” for “System other than through their”, and substituted “Federal Farm Credit Banks Funding Corporation” for “fiscal agent” in two places.

1985—Pub. L. 99-205 substituted “regulation by” for “supervision of” in provision preceding subsec. (a).

Subsec. (b). Pub. L. 99-205 substituted references to section “2154(c)” for “2154(b)” and “Farm Credit Administration” for “Governor”.

Subsecs. (c), (d). Pub. L. 99-205 substituted “Farm Credit Administration” for “Governor” wherever appearing.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-205 effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as a note under section 2001 of this title.

§ 2154. Capital adequacy of banks and institutions

(a) Minimum levels of capital

The Farm Credit Administration shall cause System institutions to achieve and maintain adequate capital by establishing minimum levels of capital for such System institutions and by using such other methods as the Farm Credit Administration deems appropriate. The Farm Credit Administration may establish such minimum level of capital for a System institution as the Farm Credit Administration, in its discretion, deems to be necessary or appropriate in

light of the particular circumstances of the System institution.

(b) Failure to maintain minimum levels; directives; plans for achieving minimum levels; proposals affecting compliance

(1) Failure of a System institution to maintain capital at or above its minimum level as established under subsection (a) may be deemed by the Farm Credit Administration, in its discretion, to constitute an unsafe and unsound practice within the meaning of this chapter.

(2) In addition to, or in lieu of, any other action authorized by law, including paragraph (1), the Farm Credit Administration may issue a directive to a System institution that fails to maintain capital at or above its required level as established under subsection (a). Such directive may require the System institution to submit and adhere to a plan acceptable to the Farm Credit Administration describing the means and timing by which the System institution shall achieve its required capital level, but may not require merger or consolidation without a majority vote of the voting stockholders or the contributors to the guaranty fund of the institution.

(3) The Farm Credit Administration may consider such System institution's progress in adhering to any plan required under paragraph (2) whenever such System institution, or an affiliate thereof, seeks the requisite approval of the Farm Credit Administration for any proposal that would divert earnings, diminish capital, or otherwise impede such System institution's progress in achieving its minimum capital level. The Farm Credit Administration may deny such approval where it determines that such proposal would adversely affect the ability of the System institution to comply with such plan.

(c) Enhancement of capital adequacy of banks

Each bank shall have on hand at the time of issuance of any note, bond, debenture, or other similar obligation and at all times thereafter maintain, free from any lien or other pledge, notes and other obligations representing loans made under this chapter or real or personal property acquired in connection with loans made under this chapter, obligations of the United States or any agency thereof direct or fully guaranteed, other bank assets (including marketable securities) approved by the Farm Credit Administration, or cash, in an aggregate value equal to the total amount of notes, bonds, debentures, or other similar obligations outstanding for which the bank is primarily liable.

(Pub. L. 92-181, title IV, §4.3, Dec. 10, 1971, 85 Stat. 611; Pub. L. 99-205, title I, §101(3), Dec. 23, 1985, 99 Stat. 1678; Pub. L. 100-233, title III, §304, title VIII, §§804(a)(3), 805(q), Jan. 6, 1988, 101 Stat. 1621, 1715, 1716; Pub. L. 100-399, title VII, §702(b), Aug. 17, 1988, 102 Stat. 1006.)

Editorial Notes

AMENDMENTS

1988—Subsec. (b)(2). Pub. L. 100-233, §804(a)(3), struck out subpar. (A) designation and struck out subpar. (B) which read as follows: “Any directive issued under this paragraph, including plans submitted pursuant thereto, shall be enforceable under the provisions of section 2267