

(12) To acquire, hold, lease, mortgage or dispose of, at public or private sale, real and personal property, purchase or sell any securities or obligations, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to the business of the Corporation.

(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this subchapter.

(14) To establish, acquire, and maintain affiliates (as such term is defined in section 2279aa-11(e) of this title) under applicable State laws to carry out any activities that otherwise would be performed directly by the Corporation under this subchapter.

(15) To exercise such other incidental powers as are necessary to carry out the powers, duties, and functions of the Corporation in accordance with this subchapter.

(d) Federal Reserve banks as depositories and fiscal agents

The Federal Reserve banks shall act as depositories for, and as fiscal agents or custodians of, the Corporation.

(e) Access to book-entry system

The Corporation shall have access to the book-entry system of the Federal Reserve System.

(Pub. L. 92-181, title VIII, §8.3, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1691; amended Pub. L. 100-399, title VI, §601(c), Aug. 17, 1988, 102 Stat. 1005; Pub. L. 102-237, title V, §503(c), Dec. 13, 1991, 105 Stat. 1877; Pub. L. 102-552, title III, §308(b)(1), Oct. 28, 1992, 106 Stat. 4116; Pub. L. 104-105, title I, §§104, 105, Feb. 10, 1996, 110 Stat. 163.)

Editorial Notes

AMENDMENTS

1996—Subsec. (c)(13) to (15). Pub. L. 104-105, §104, added par. (13) and redesignated former pars. (13) and (14) as (14) and (15), respectively.

Subsec. (d). Pub. L. 104-105, §105(1), which directed the amendment of subsec. (d) by substituting “shall act as depositories for, and” for “may act as depositories for, or”, was executed by making the substitution for “may act as depositories for, or” to reflect the probable intent of Congress.

Subsec. (e). Pub. L. 104-105, §105(2), substituted “Corporation shall have access to” for “Secretary of the Treasury may authorize the Corporation to use”.

1992—Subsec. (c)(13). Pub. L. 102-552 substituted “2279aa-11(e)” for “2279aa-11(g)”.

1991—Subsec. (c)(13), (14). Pub. L. 102-237 added par. (13) and redesignated former par. (13) as (14).

1988—Subsec. (c)(4). Pub. L. 100-399 substituted “such persons” for “the persons”.

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.

§ 2279aa-4. Stock issuance

(a) Voting common stock

(1) Issue

(A) In general

The Corporation shall issue voting common stock having such par value as may be fixed by the Board from time to time.

(B) Number of votes

Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors.

(C) Offers

(i) In general

The Board shall offer the voting common stock to banks, other financial institutions, insurance companies, and System institutions under such terms and conditions as the Board may adopt.

(ii) Requirements

The voting common stock shall be fairly and broadly offered to ensure that—

(I) no institution or institutions acquire a disproportionate share of the total quantity of the voting common stock outstanding of a class of stock; and

(II) capital contributions and issuances of voting common stock for the contributions are fairly distributed between entities eligible to hold class A stock and class B stock.

(D) Classes of stock

(i) In general

The stock shall be divided into two classes with the same par value per share.

(ii) Class A stock

Class A stock may be held only by entities that are not Farm Credit System institutions and that are entitled to vote for directors specified in section 2279aa-2(a)(2)(A) of this title, including national banking associations (which shall be allowed to purchase and hold such stock).

(iii) Class B stock

Class B stock may be held only by Farm Credit System institutions that are entitled to vote for directors specified in section 2279aa-2(a)(2)(B) of this title.

(2) Limitation on issue

After the date the permanent board first meets with a quorum of its members present, voting common stock of the Corporation may be issued only to originators and certified facilities.

(3) Authority of Board to establish terms and procedures

The Board shall adopt such terms, conditions, and procedures with regard to the issue of stock under this section as may be necessary, including the establishment of a maximum amount limitation on the number of shares of voting common stock that may be outstanding at any time.

(4) Transferability

Subject to such limitations as the Board may impose, any share of any class of voting common stock issued under this section shall be transferable among the institutions or entities to which shares of such class of common stock may be offered under paragraph (1), except that, as to the Corporation, such shares shall be transferable only on the books of the Corporation.

(5) Maximum number of shares

No stockholder, other than a holder of class B stock, may own, directly or indirectly, more than 33 percent of the outstanding shares of such class of the voting common stock of the Corporation.

(b) Required capital contributions**(1) In general**

The Corporation may require each originator and each certified facility to make, or commit to make, such nonrefundable capital contributions to the Corporation as are reasonable and necessary to meet the administrative expenses of the Corporation.

(2) Stock issued as consideration for contribution

The Corporation, from time to time, shall issue to each originator or certified facility voting common stock evidencing any capital contributions made pursuant to this subsection.

(c) Dividends**(1) In general**

Such dividends as may be declared by the Board, in the discretion of the Board, shall be paid by the Corporation to the holders of the voting common stock of the Corporation pro rata based on the total number of shares of both classes of stock outstanding.

(2) Reserves requirement

No dividend may be declared or paid by the Board under this section unless the Board determines that adequate provision has been made for the reserve required under section 2279aa-10(c)(1) of this title.

(3) Dividends prohibited while obligations are outstanding

No dividend may be declared or paid by the Board under this section while any obligation issued by the Corporation to the Secretary of the Treasury under section 2279aa-13 of this title remains outstanding.

(d) Nonvoting common stock

The Corporation is authorized to issue nonvoting common stock having such par value as may be fixed by the Board from time to time. Such nonvoting common stock shall be freely transferable, except that, as to the Corporation, such stock shall be transferable only on the books of the Corporation. Such dividends as may be declared by the Board, in the discretion of the Board, may be paid by the Corporation to the holders of the nonvoting common stock of the Corporation, subject to paragraphs (2) and (3) of subsection (c).

(e) Preferred stock**(1) Authority of Board**

The Corporation is authorized to issue nonvoting preferred stock having such par value as may be fixed by the Board from time to time. Such preferred stock issued shall be freely transferable, except that, as to the Corporation, such stock shall be transferred only on the books of the Corporation.

(2) Rights of preferred stock

Subject to paragraphs (2) and (3) of subsection (c), the holders of the preferred stock shall be entitled to such rate of cumulative dividends, and such holders shall be subject to such redemption or other conversion provisions, as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

(3) Preference on termination of business

In the event of any liquidation, dissolution, or winding up of the business of the Corporation, the holders of the preferred shares of stock shall be paid in full at the par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

(Pub. L. 92-181, title VIII, §8.4, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1692; amended Pub. L. 100-399, title VI, §601(d), (e), Aug. 17, 1988, 102 Stat. 1005; Pub. L. 115-334, title V, §5411(44), Dec. 20, 2018, 132 Stat. 4684.)

Editorial Notes**AMENDMENTS**

2018—Subsec. (a)(1). Pub. L. 115-334, within existing provisions, designated first and second sentences as subpars. (A) and (B), respectively, added subpar. (C) and struck out former third sentence which read “Voting shall be by classes as described in section 2279aa-2(a)(9) of this title.”, designated fourth to sixth sentences collectively as subpar. (D) and individually as cls. (i) to (iii), respectively, thereof, substituted “2279aa-2(a)(2)(A)” for “2279aa-2(b)(2)(A)” in subpar. (D)(ii) and “2279aa-2(a)(2)(B)” for “2279aa-2(b)(2)(B)” in subpar. (D)(iii), and inserted subpar. and cl. headings.

1988—Subsec. (a)(1). Pub. L. 100-399, §601(d), in penultimate sentence, inserted “and” after “institutions” and inserted “, including national banking associations (which shall be allowed to purchase and hold such stock)” before period at end.

Subsec. (e)(1). Pub. L. 100-399, §601(e), substituted “books of the Corporation” for “books of the Association”.

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.

§ 2279aa-5. Certification of agricultural mortgage marketing facilities**(a) Eligibility standards****(1) Establishment required**

Within 120 days after the date on which the permanent board first meets with a quorum