

ments, and stock, and effectuation of any other transaction by the Corporation to carry out this subsection shall not be treated as a taxable event under the laws of any State or political subdivision thereof.

(Pub. L. 92-181, title IV, § 4.9, Dec. 10, 1971, 85 Stat. 612; Pub. L. 100-233, title II, § 204(a), Jan. 6, 1988, 101 Stat. 1605; Pub. L. 100-399, title II, § 203(a)-(d), Aug. 17, 1988, 102 Stat. 992, 993; Pub. L. 102-552, title V, § 507, Oct. 28, 1992, 106 Stat. 4131; Pub. L. 115-334, title V, § 5411(19), Dec. 20, 2018, 132 Stat. 4681.)

#### Editorial Notes

##### REFERENCES IN TEXT

January 6, 1988, referred to in subsec. (e)(3), was in the original “the date of the enactment of this section”, which was translated as meaning the date of enactment of Pub. L. 100-233, which amended this section generally, to reflect the probable intent of Congress.

##### AMENDMENTS

Subsec. (d)(2). Pub. L. 115-334, § 5411(19)(A), designated concluding provisions of subsec. (d)(1) as par. (2), inserted heading, inserted “of paragraph (1)” after “(A) and (B)”, and struck out former par. (2) which related to Assistance Board non-voting representatives and post-termination representation on the board of directors of the Corporation.

Subsec. (d)(3). Pub. L. 115-334, § 5411(19)(A)(i), added par. (3).

Subsecs. (e), (f). Pub. L. 115-334, § 5411(19)(B), (C), redesignated subsec. (f) as (e) and struck out former subsec. (e) which set out transitional authority until a majority of the voting members of the board of directors of the Corporation was elected.

1992—Subsec. (d)(2). Pub. L. 102-552 amended par. (2) generally. Prior to amendment, par. (2) read as follows:

“(A) ASSISTANCE BOARD.—During the period in which the Assistance Board is in existence, the board of directors of the Assistance Board shall designate one of its directors to serve as a nonvoting representative to the board of directors of the Corporation.

“(B) INSURANCE CORPORATION.—After such period, the board of directors of the Farm Credit System Insurance Corporation may designate one of its directors to serve as a nonvoting representative to the board of directors of the Corporation.

“(C) MEETINGS.—The persons so designated by the Assistance Board and by the Farm Credit System Insurance Corporation may attend and participate in all deliberations of the board of directors of the Corporation.”

1988—Pub. L. 100-233 amended section generally. Prior to amendment, section read as follows: “A fiscal agency shall be established by the banks for such of their functions relating to the issuance, marketing, and handling of their obligations, and interbank or intersystem flow of funds as may from time to time be required.”

Subsec. (b)(3). Pub. L. 100-399, § 203(b), inserted “predecessor Federal Farm Credit Banks” before “Funding Corporation”.

Subsec. (d)(2)(B), (C). Pub. L. 100-399, § 203(c), substituted “directors of the Corporation” for “directors of the Federal Farm Credit Banks Funding Corporation”.

Subsec. (e). Pub. L. 100-399, § 203(d), amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: “Until a quorum of the board of directors of the Corporation is elected or appointed, the finance committee established under section 2156 of this title in effect before January 6, 1988, and the fiscal agency established under section 2160 of this title in effect before January 6, 1988, shall continue to operate as if this section had not been enacted.”

Subsec. (f). Pub. L. 100-399, § 203(a), added subsec. (f).

#### 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.

#### § 2161. Repealed. Pub. L. 100-399, title I, § 101(a), Aug. 17, 1988, 102 Stat. 989

Section, Pub. L. 92-181, title IV, § 4.9A, as added Pub. L. 99-205, title I, § 105, Dec. 23, 1985, 99 Stat. 1687, authorized a central reserve for Farm Credit System.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF REPEAL

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

#### § 2162. Protection of borrower stock

##### (a) Retirement of stock

Notwithstanding any other section of this chapter, each institution of the Farm Credit System, when retiring eligible borrower stock in accordance with this chapter, shall retire such stock at par value.

##### (b) Certain powers not affected

This section does not affect the authority of any institution of the Farm Credit System—

(1) to retire or cancel borrower stock at par value for application against a loan in default;

(2) to cancel borrower stock at par value under section 2202b of this title; or

(3) to apply, against any outstanding indebtedness to a System association arising out of or in connection with a liquidation referred to in subsection (d)(2), the par value of borrower stock frozen in such liquidation.

##### (c) Inability to retire stock at par value

##### (1) In general

If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the Farm Credit System Insurance Corporation, acting as receiver, shall retire such stock at par value as would have been retired in the ordinary course of business of the institution.

##### (2) Funding

The Farm Credit System Insurance Corporation shall use such funds from the Farm Credit Insurance Fund as are sufficient to carry out this section.

##### (d) Definitions

For purposes of this section:

##### (1) Borrower stock

The term “borrower stock” means voting and nonvoting stock, equivalent contributions to a guaranty fund, participation certificates, allocated equities, and other similar equities that are subject to retirement under a revolving cycle issued by any System institution and held by any person other than any System institution.

##### (2) Eligible borrower stock

The term “eligible borrower stock” means borrower stock that—