

Subsec. (c). Pub. L. 90-448, §802(r), struck out provisions which prohibited the Secretary of the Treasury from purchasing obligations under this subsection if all of the preferred stock of the Association held by him has been retired.

Subsec. (d). Pub. L. 90-448, §804(a), added subsec. (d). A prior subsec. (d) was repealed by Pub. L. 88-560.

Subsec. (e). Pub. L. 90-448, §805, added subsec. (e).

1966—Subsec. (a)(1). Pub. L. 89-754 struck out requirement that Association's advance commitments to purchase mortgages in its secondary market operations be issued at prices which are sufficient to facilitate home financing, but which are sufficiently below the price then offered by the Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments.

Subsec. (b). Pub. L. 89-566 raised limit on maximum amount of obligations outstanding under the subsection from ten times the sum of capital, capital surplus, general surplus, reserves, and undistributed earnings to fifteen times that sum.

1964—Subsec. (a)(2). Pub. L. 88-560, §703, substituted "90 per centum" for "80 per centum".

Subsec. (b). Pub. L. 88-560, §701(b)(2), substituted "or obligations, participations, or other instruments which are lawful investments" for "or obligations which are lawful investments".

Subsec. (d). Pub. L. 88-560, §704, repealed provisions which prohibited the Association from purchasing participations in its operations under this section.

1961—Subsec. (a). Pub. L. 87-70, §603(d), designated existing provisions as par. (1) and added par. (2).

Subsec. (b). Pub. L. 87-70, §603(e), inserted "or other security holdings" after "mortgages".

1959—Subsec. (a). Pub. L. 86-372, §302, substituted "home financing" for "advance planning of home construction" after "sufficient to facilitate".

Subsec. (b). Pub. L. 86-372, §305(a), substituted "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds" for "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States".

1957—Subsec. (c). Pub. L. 85-104 substituted "\$2,250,000,000" for "\$1,350,000,000".

Pub. L. 85-10 substituted "\$1,350,000,000" for "\$500,000,000 plus an amount equal to the total of such reductions in the maximum dollar amount prescribed by section 1721(c) of this title as have theretofore been effected pursuant to that section: *Provided*, That such aggregate principal amount under this subsection shall in no event exceed \$1,000,000,000".

1956—Subsec. (a). Act Aug. 7, 1956, §§203, 204(a), substituted in second sentence "within the range of market prices" for "at the market prices"; and inserted sentence that advance commitments to purchase mortgages in secondary market operations shall be issued only at prices which are sufficient to facilitate advance planning of home construction but sufficiently below price then offered by Association for immediate purchase to prevent excessive sales to the Association pursuant to such commitments.

Subsec. (d). Act Aug. 7, 1956, §204(b), struck out provisions prohibiting Association from making advance contracts or commitments to purchase mortgages but allowed Association to issue a purchase contract in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder to sell to the Association mortgages in the amount of the contract, upon terms prescribed by the Association.

1954—Act Aug. 2, 1954, amended section generally to substitute new provisions (formerly covered in sections 1716 and 1717 of this title) for provisions which related to exemption from taxation. See section 1723a(c) of this title.

1948—Act July 1, 1948, amended section generally to provide for exemption from taxation for the Association.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

For effective date of amendment by title VIII of Pub. L. 90-448, see section 808 of Pub. L. 90-448, set out as an Effective Date note under section 1716b of this title.

§ 1720. Repealed. Pub. L. 98-181, title I [title IV, § 483(a)], Nov. 30, 1983, 97 Stat. 1240

Section, acts June 27, 1934, ch. 847, title III, §305, 48 Stat. 1254; July 1, 1948, ch. 784, §1, 62 Stat. 1206; Apr. 20, 1950, ch. 94, title I, §118, 64 Stat. 57; Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 616; Aug. 11, 1955, ch. 783, title I, §103, title IV, §402, 69 Stat. 636, 651; Aug. 7, 1956, ch. 1029, title II, §§205-208, 70 Stat. 1096; Pub. L. 85-10, §2, Mar. 27, 1957, 71 Stat. 8; Pub. L. 85-104, title II, §§204-207, July 12, 1957, 71 Stat. 298; Pub. L. 85-364, §§2, 3(a), 4, Apr. 1, 1958, 72 Stat. 73, 74; Pub. L. 86-372, title III, §§303(a), 304, Sept. 23, 1959, 73 Stat. 669; Pub. L. 87-70, title I, §101(c), title VI, §601(a), (b), June 30, 1961, 75 Stat. 153, 175, 176; Pub. L. 88-560, title I, §109(b), Sept. 2, 1964, 78 Stat. 777; Pub. L. 89-117, title VIII, §801, Aug. 10, 1965, 79 Stat. 493; Pub. L. 89-429, §3(a), May 24, 1966, 80 Stat. 166; Pub. L. 89-566, §3, Sept. 10, 1966, 80 Stat. 738; Pub. L. 89-754, title III, §310(d), title X, §§1005, 1020(c), Nov. 3, 1966, 80 Stat. 1270, 1285, 1296; Pub. L. 90-19, §1(a)(2), May 25, 1967, 81 Stat. 17; Pub. L. 90-448, title II, §201(g), title VIII, §806, Aug. 1, 1968, 82 Stat. 503, 544; Pub. L. 91-152, §2, title I, §115, Dec. 24, 1969, 83 Stat. 379, 385; Pub. L. 91-351, title IV, §401, July 24, 1970, 84 Stat. 458; Pub. L. 95-557, title III, §318(b), Oct. 31, 1978, 92 Stat. 2101; Pub. L. 96-399, title III, §338, Oct. 8, 1980, 94 Stat. 1657; Pub. L. 97-35, title III, §333(a)(1), (2), Aug. 13, 1981, 95 Stat. 413, related to the special assistance functions of the Government National Mortgage Association.

Statutory Notes and Related Subsidiaries

SAVINGS PROVISION

Pub. L. 98-181, title I [title IV, §483(b)], Nov. 30, 1983, 97 Stat. 1240, provided that: "Any purchase or commitment to purchase any mortgage pursuant to section 305 or 313 of the Federal National Mortgage Association Charter Act [former sections 1720 and 1723e of this title] made before the date of the enactment of this Act [Nov. 30, 1983], and the servicing and disposition of any such mortgage, shall continue to be governed by the provisions of such sections as they existed immediately before the effective date of this section [Nov. 30, 1983]."

§ 1721. Management and liquidation functions of Government National Mortgage Association

(a) Separate accountability of assets and liabilities

To carry out the purposes set forth in paragraph (c)¹ of section 1716 of this title, the Association is authorized and directed, as of the close of the cutoff date determined by the Association pursuant to section 1718(d)¹ of this title, to establish separate accountability for all of its assets and liabilities (exclusive of capital, surplus, surplus reserves, and undistributed earnings to be evidenced by preferred stock as provided in section 1718(d)¹ of this title, but inclusive of all rights and obligations under any outstanding contracts), and to maintain such sepa-

¹ See References in Text note below.

rate accountability for the management and orderly liquidation of such assets and liabilities as provided in this section.

(b) Issuance of obligations to expedite substitution of private financing

For the purposes of this section and to assure that, to the maximum extent, and as rapidly as possible, private financing will be substituted for Treasury borrowings otherwise required to carry mortgages held under the aforesaid separate accountability, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership under the aforesaid separate accountability, free from any liens or encumbrances, of cash, mortgages, and obligations of the United States or guaranteed thereby, or obligations, participations, or other instruments which are lawful investments for fiduciary, trust or public funds. The proceeds of any private financing effected under this subsection shall be paid to the Secretary of the Treasury in reduction of the indebtedness of the Association to the Secretary of the Treasury under the aforesaid separate accountability. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

(c) Cutoff date as controlling purchases; total amount of mortgages and commitments

No mortgage shall be purchased by the Association in its operations under this section except pursuant to and in accordance with the terms of a contract or commitment to purchase the same made prior to the cutoff date provided for in section 1718(d)¹ of this title, which contract or commitment became a part of the aforesaid separate accountability, and the total amount of mortgages and commitments held by the Association under this section shall not, in any event, exceed \$3,350,000,000: *Provided*, That such maximum amount shall be progressively reduced by the amount of cash realizations on account of principal of mortgages held under the aforesaid separate accountability and by cancellation of any commitments to purchase mortgages thereunder, as reflected by the books of the Association, with the objective that the entire aforesaid maximum amount shall be eliminated with the orderly liquidation of all mort-

gages held under the aforesaid separate accountability: *And provided further*, That nothing in this subsection shall preclude the Association from granting such usual and customary increases in the amounts of outstanding commitments (resulting from increased costs or otherwise) as have theretofore been covered by like increases in commitments granted by the agencies of the Federal Government insuring or guaranteeing the mortgages. There shall be excluded from the total amounts set forth in this subsection the amounts of any mortgages which, subsequent to May 31, 1954, are transferred by law to the Association and held under the aforesaid separate accountability.

(d) Issuance of obligations sufficient to carry out functions; character; purchase

The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section, such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized to purchase any obligations of the Association to be issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under chapter 31 of title 31 are extended to include any purchases of the Association's obligations hereunder.

(e) Acquisition of mortgages offered by Secretary of Housing and Urban Development

Notwithstanding any other provision of law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase, and to purchase, service, or sell any obligations offered to it by the Secretary of Housing and Urban Development, or any mortgages covering residential property offered to it by any Federal instrumentality, or the head thereof. These shall be excluded from the total amounts set forth in subsection (c) the amounts of any obligations or mortgages purchased by the Association pursuant to this subsection.

(f) Transfer of funds

Notwithstanding any of the provisions of this chapter or of any other law, an amount equal to the net decrease for the preceding fiscal year in the aggregate principal amount of all mortgages owned by the Association under this section shall, as of July 1 of each of the years 1961 through 1964, be transferred to and merged with the authority provided under section 1720(a)¹ of this title, and the amount of such authority as specified in section 1720(c)¹ of this title shall be increased by any amounts so transferred.

(g) Guarantee of principal and interest on trust certificates and other securities; fees and charges; subrogation; contract for extinguishment of right, title, or interest in mortgages; protection of interests; full faith and credit; commitments limited; limitation on fees or charges

(1) The Association is authorized, upon such terms and conditions as it may deem appropriate, to guarantee the timely payment of principal of and interest on such trust certificates or other securities as shall (i) be issued by the corporation under section 1719(d) of this title, or by any other issuer approved for the purposes of this subsection by the Association, and (ii) be based on and backed by a trust or pool composed of mortgages which are insured under this chapter, or which are insured or guaranteed under the Servicemen's Readjustment Act of 1944, title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.], or chapter 37 of title 38, or which are guaranteed under title XIII of the Public Health Service Act [42 U.S.C. 300e et seq.];² or guaranteed under section 1715z-13a of this title. The Association shall collect from the issuer a reasonable fee for any guaranty under this subsection and shall make such charges as it may determine to be reasonable for the analysis of any trust or other security arrangement proposed by the issuer. In the event the issuer is unable to make any payment of principal of or interest on any security guaranteed under this subsection, the Association shall make such payment as and when due in cash, and thereupon shall be subrogated fully to the rights satisfied by such payment. In any case in which (I) Federal law requires the reduction of the interest rate on any mortgage backing a security guaranteed under this subsection, (II) the mortgagor under the mortgage is a person in the military service, and (III) the issuer of such security fails to receive from the mortgagor the full amount of interest payment due, the Association may make payments of interest on the security in amounts not exceeding the difference between the amount payable under the interest rate on the mortgage and the amount of interest actually paid by the mortgagor. The Association is hereby empowered, in connection with any guaranty under this subsection, whether before or after any default, to provide by contract with the issuer for the extinguishment, upon default by the issuer, of any redemption, equitable, legal, or other right, title, or interest of the issuer in any mortgage or mortgages constituting the trust or pool against which the guaranteed securities are issued; and with respect to any issue of guaranteed securities, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such trust or pool shall become the absolute property of the Association subject only to the unsatisfied rights of the holders of the securities based on and backed by such trust or pool. No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this subsection after October 8, 1980), shall preclude or limit the exercise by the Association of (A) its power to contract with the issuer on the terms stated in

the preceding sentence, (B) its rights to enforce any such contract with the issuer, or (C) its ownership rights, as provided in the preceding sentence, in the mortgages constituting the trust or pool against which the guaranteed securities are issued. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection. There shall be excluded from the total amounts set forth in subsection (c) the amounts of any mortgages acquired by the Association as a result of its operations under this subsection.

(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of \$110,000,000,000 during fiscal year 1996. There are authorized to be appropriated to cover the costs (as such term is defined in section 661a of title 2) of guarantees issued under this chapter by the Association such sums as may be necessary for fiscal year 1996.

(3)(A) No fee or charge in excess of 6 basis points may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States) on or with regard to any guaranty of the timely payment of principal or interest on securities or notes based on or backed by mortgages that are secured by 1- to 4-family dwellings and (i) insured by the Federal Housing Administration under subchapter II of this chapter; or (ii) insured or guaranteed under the Serviceman's Readjustment Act of 1944, chapter 37 of title 38, or title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.].

(B) The fees charged for the guaranty of securities or on notes based on or backed by mortgages not referred to in subparagraph (A), as authorized by other provisions of law, shall be set by the Association at a level not more than necessary to create reserves sufficient to meet anticipated claims based upon actuarial analysis, and for no other purpose.

(C) Fees or charges for the issuance of commitments or miscellaneous administrative fees of the Association shall not be on a competitive auction basis and shall remain at the level set for such fees or charges as of September 1, 1985, except that such fees or charges may be increased if reasonably related to the cost of administering the program, and for no other purpose.

(D) Not less than 90 days before increasing any fee or charge under subparagraph (B) or (C), the Secretary shall submit to the Congress a certification that such increase is solely for the purpose specified in such subparagraph.

(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guarantee of, or commitment to guarantee, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection, and other related fees shall be charged by the Association in an amount the Association deems appropriate. The Association

² So in original. The semicolon probably should be a comma.

shall take such action as may be necessary to reasonably assure that such portion of the benefit, resulting from the Association's multiclass securities program, as the Association determines is appropriate accrues to mortgagors who execute eligible mortgages after August 10, 1993.

(ii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.

(iii) The Association shall consult with persons or entities in such manner as the Association deems appropriate to ensure the efficient commencement and operation of the multiclass securities program.

(iv) No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this clause after August 10, 1993) shall preclude or limit the exercise by the Association of its power to contract with persons or entities, and its rights to enforce such contracts, for the purpose of ensuring the efficient commencement and continued operation of the multiclass securities program.

(June 27, 1934, ch. 847, title III, § 306, 48 Stat. 1255; July 1, 1948, ch. 784, § 1, 62 Stat. 1209; Apr. 20, 1950, ch. 94, title I, § 122, 64 Stat. 59; Aug. 2, 1954, ch. 649, title II, § 201, 68 Stat. 618; Aug. 7, 1956, ch. 1029, title II, § 209, 70 Stat. 1097; Pub. L. 86-372, title III, §§ 305(a), 306(a), Sept. 23, 1959, 73 Stat. 670; Pub. L. 87-70, title VI, § 601(c), June 30, 1961, 75 Stat. 176; Pub. L. 88-560, title VII, § 701(b)(2), Sept. 2, 1964, 78 Stat. 800; Pub. L. 89-117, title VIII, § 802(b), Aug. 10, 1965, 79 Stat. 494; Pub. L. 90-19, § 1(k), May 25, 1967, 81 Stat. 18; Pub. L. 90-448, title VIII, § 804(b), Aug. 1, 1968, 82 Stat. 542; Pub. L. 93-222, § 7(c), Dec. 29, 1973, 87 Stat. 936; Pub. L. 96-399, title III, § 335, Oct. 8, 1980, 94 Stat. 1654; Pub. L. 97-35, title III, § 333(a)(3), Aug. 13, 1981, 95 Stat. 413; Pub. L. 98-181, title I [title IV, § 481], Nov. 30, 1983, 97 Stat. 1239; Pub. L. 98-479, title II, § 203(a)(2), Oct. 17, 1984, 98 Stat. 2229; Pub. L. 100-14, Mar. 24, 1987, 101 Stat. 128; Pub. L. 100-242, title IV, § 446, Feb. 5, 1988, 101 Stat. 1922; Pub. L. 101-625, title III, § 339, Nov. 28, 1990, 104 Stat. 4147; Pub. L. 102-550, title V, § 531, 532, Oct. 28, 1992, 106 Stat. 3793; Pub. L. 103-66, title III, § 3004, Aug. 10, 1993, 107 Stat. 339; Pub. L. 103-120, § 10, Oct. 27, 1993, 107 Stat. 1151; Pub. L. 104-120, § 7, Mar. 28, 1996, 110 Stat. 836; Pub. L. 104-330, title VII, § 701(k), Oct. 26, 1996, 110 Stat. 4050; Pub. L. 105-244, title IX, § 972(a), Oct. 7, 1998, 112 Stat. 1837; Pub. L. 107-326, § 4, Dec. 4, 2002, 116 Stat. 2793; Pub. L. 108-199, div. A, title VII, § 774, Jan. 23, 2004, 118 Stat. 40; Pub. L. 115-174, title III, § 309(b), May 24, 2018, 132 Stat. 1350; Pub. L. 116-33, § 2(a), July 25, 2019, 133 Stat. 1038.)

Editorial Notes

REFERENCES IN TEXT

Paragraph (c) of section 1716 of this title, referred to in subsec. (a), was redesignated par. (4) of section 1716

by Pub. L. 101-73, title VII, § 731(m)(1)(B), Aug. 9, 1989, 103 Stat. 435. Par. (4) of section 1716 was redesignated par. (5) by Pub. L. 102-550, title XIII, § 1381(a)(3), Oct. 28, 1992, 106 Stat. 3994.

Section 1718(d) of this title, referred to in subsecs. (a) and (c), authorizing the issuance of preferred stock to the Secretary of the Treasury, was repealed by Pub. L. 93-383, title VIII, § 806(i), Aug. 22, 1974, 88 Stat. 728.

Section 1720 of this title, referred to in subsec. (f), was repealed by Pub. L. 98-181, title I [title IV, § 483(a)], Nov. 30, 1983, 97 Stat. 1240.

The Housing Act of 1949, referred to in subsec. (g)(1), (3)(A), is act July 15, 1949, ch. 338, 63 Stat. 413. Title V of the Housing Act of 1949 is classified generally to subchapter III (§ 1471 et seq.) of chapter 8A of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1441 of Title 42 and Tables.

The Servicemen's Readjustment Act of 1944, referred to in subsec. (g)(1), (3)(A), is act June 22, 1944, ch. 268, 58 Stat. 284, which was classified generally to chapter 11C (§§ 693 to 697g) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed by section 14(87) of Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1273, the first section of which enacted Title 38, Veterans' Benefits. For distribution of sections 693 to 697g of former Title 38 to Title 38, Veterans' Benefits, see Table preceding section 101 of Title 38.

The Public Health Service Act, referred to in subsec. (g)(1), is act July 1, 1944, ch. 373, 58 Stat. 682. Title XIII of the Public Health Service Act, is title XIII of act July 1, 1944, ch. 373, as added by act Dec. 29, 1973, Pub. L. 93-222, § 2, 87 Stat. 914, which is classified generally to subchapter XI (§ 300e et seq.) of chapter 6A of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 201 of Title 42 and Tables.

AMENDMENTS

2019—Subsec. (g)(1). Pub. L. 116-33 struck out “The Association may not guarantee the timely payment of principal and interest on a security that is backed by a mortgage insured or guaranteed under chapter 37 of title 38 and that was refinanced until the later of the date that is 210 days after the date on which the first monthly payment is made on the mortgage being refinanced and the date on which 6 full monthly payments have been made on the mortgage being refinanced.” after “guaranteed under section 1715z-13a of this title.”

2018—Subsec. (g)(1). Pub. L. 115-174 inserted “The Association may not guarantee the timely payment of principal and interest on a security that is backed by a mortgage insured or guaranteed under chapter 37 of title 38 and that was refinanced until the later of the date that is 210 days after the date on which the first monthly payment is made on the mortgage being refinanced and the date on which 6 full monthly payments have been made on the mortgage being refinanced.” after “guaranteed under section 1715z-13a of this title.”

2004—Subsec. (g)(1). Pub. L. 108-199, in first sentence, struck out “or title V of the Housing Act of 1949” after “mortgages which are insured under this chapter” and inserted “, title V of the Housing Act of 1949,” after “1944”.

2002—Subsec. (g)(3)(A). Pub. L. 107-326 repealed Pub. L. 105-244, § 972(a). See 1998 Amendment note below.

1998—Subsec. (g)(3)(A). Pub. L. 105-244, § 972(a), which directed amendment of subpar. (A), effective Oct. 1, 2004, by substituting “The Association shall assess and collect a fee in an amount equal to nine basis points” for “No fee or charge in excess of 6 basis points may be assessed or collected by the United States (including any executive department, agency, or independent establishment of the United States)”, was repealed by Pub. L. 107-326. See 2002 Amendment note above and Effective Date of 1998 Amendment note below.

1996—Subsec. (g)(1). Pub. L. 104-330 inserted before period at end of first sentence “; or guaranteed under section 1715z-13a of this title”.

Subsec. (g)(2). Pub. L. 104-120 amended par. (2) generally. Prior to amendment, par. (2) read as follows:

“Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of \$107,700,000,000 during fiscal year 1993 and \$91,696,000,000 during fiscal year 1994. There is authorized to be appropriated such sums as may be necessary to cover the costs (as such term is defined in section 661a of title 2) of guarantees issued under this chapter by the Association.”

1993—Subsec. (g)(2). Pub. L. 103-120 substituted “\$107,700,000,000” for “\$88,000,000,000”.

Subsec. (g)(3)(E). Pub. L. 103-66 added subpar. (E).

1992—Subsec. (g)(1). Pub. L. 102-550, §532, inserted after third sentence “In any case in which (I) Federal law requires the reduction of the interest rate on any mortgage backing a security guaranteed under this subsection, (II) the mortgagor under the mortgage is a person in the military service, and (III) the issuer of such security fails to receive from the mortgagor the full amount of interest payment due, the Association may make payments of interest on the security in amounts not exceeding the difference between the amount payable under the interest rate on the mortgage and the amount of interest actually paid by the mortgagor.”

Subsec. (g)(2). Pub. L. 102-550, §531, amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of \$84,982,000,000 during fiscal year 1991 and \$88,296,000,000 during fiscal year 1992.”

1990—Subsec. (g)(2). Pub. L. 101-625 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of \$150,000,000,000 for fiscal year 1988, and \$156,000,000,000 for fiscal year 1989.”

1988—Subsec. (g)(2). Pub. L. 100-242 amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments for each of the fiscal years 1984 and 1985 to issue guarantees under this subsection for each such fiscal year in an aggregate amount of \$68,250,000,000.”

1987—Subsec. (g)(3). Pub. L. 100-14 added par. (3).

1984—Subsec. (d). Pub. L. 98-479 substituted “chapter 31 of title 31” for “the Second Liberty Bond Act, as now or hereafter in force” in two places.

1983—Subsec. (g)(2). Pub. L. 98-181 substituted “Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments for each of the fiscal years 1984 and 1985 to issue guarantees under this subsection for each such fiscal year in an aggregate amount of \$68,250,000,000” for “During fiscal year 1982, the Association may not enter into commitments to issue guarantees under this subsection in an aggregate amount in excess of \$69,542,000,000”.

1981—Subsec. (g). Pub. L. 97-35 redesignated existing provisions as par. (1), substituted “(i)” for “(1)” and “(ii)” for “(2)”, and added par. (2).

1980—Subsec. (g). Pub. L. 96-399 inserted provisions relating to Federal, State, or local law, and substituted

“The Association is hereby” for “Any Federal, State, or other law to the contrary notwithstanding, the Association is hereby”.

1973—Subsec. (g). Pub. L. 93-222 included mortgages which are guaranteed under title XIII of the Public Health Service Act.

1968—Subsec. (g). Pub. L. 90-448 added subsec. (g).

1967—Subsec. (e). Pub. L. 90-19 substituted “Secretary of Housing and Urban Development” for “Housing and Home Finance Agency or its Administrator, or by such Agency’s constituent units or agencies or the heads thereof”.

1965—Subsec. (e). Pub. L. 89-117 authorized Association to deal in any obligations offered to it by Housing and Home Finance Agency or its Administrator or by such Agency’s units or agencies or by heads thereof as well as residential mortgages offered to it by any Federal instrumentality, or head thereof.

1964—Subsec. (b). Pub. L. 88-560 substituted “or obligations, participations, or other instruments which are lawful investments” for “or obligations which are lawful investments”.

1961—Subsec. (f). Pub. L. 87-70 added subsec. (f).

1959—Subsec. (b). Pub. L. 86-372, §305(a), substituted “and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds” for “and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States”.

Subsec. (e). Pub. L. 86-372, §306(a), added subsec. (e). 1956—Subsec. (c). Act Aug. 7, 1956, §209(a), struck out “and subsection (e) of this section” after “set forth in this subsection” in last sentence.

Subsec. (e). Act Aug. 7, 1956, §209(b), repealed provisions which related to applicability of prior authorized total amount of investments, etc., to functions under this section and section 1720 of this title.

1954—Act Aug. 2, 1954, amended section generally by substituting new provisions and subdividing section into subsecs. (a) to (e).

1950—Act Apr. 20, 1950, substituted “Commissioner” for “Administrator” wherever appearing.

1948—Act July 1, 1948, amended section generally to provide for liquidation of Association.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-244, title IX, §972(b), Oct. 7, 1998, 112 Stat. 1837, which provided that the amendment made by section 972 was effective Oct. 1, 2004, was repealed by Pub. L. 107-326, §4, Dec. 4, 2002, 116 Stat. 2793.

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-120 to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104-120, set out as an Effective and Termination Dates of 1996 Amendments note under section 1437d of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

For effective date of amendment by title VIII of Pub. L. 90-448, see section 808 of Pub. L. 90-448, set out as an Effective Date note under section 1716b of this title.

CONSTRUCTION OF 2019 AMENDMENT

Pub. L. 116-33, §2(c), July 25, 2019, 133 Stat. 1039, provided that: “Nothing in this Act [see Short Title of 2019 Amendment note set out under section 1701 of this title] may be construed to restrict or otherwise modify

the authorities of the Government National Mortgage Association.”

AUTHORIZATION TO ENTER INTO ADDITIONAL COMMITMENTS TO INSURE LOANS AND GUARANTEE MORTGAGE-BACKED SECURITIES DURING SPECIFIC FISCAL YEARS; TEMPORARY EXTENSION OF CERTAIN PROGRAMS RELATING TO HOUSING AND COMMUNITY DEVELOPMENT

Fiscal year 1988—Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327, provided: “That each provision of law amended by Public Law 100-179 [set out below] is amended by striking ‘December 16, 1987’ each place it appears and inserting ‘March 15, 1988’.”

Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018, provided: “That each provision of law amended by Public Law 100-170 [set out below] is amended by striking ‘December 2, 1987’ each place it appears and inserting ‘December 16, 1987’.”

Pub. L. 100-170, Nov. 17, 1987, 100 Stat. 914, provided: “That each provision of law amended by Public Law 100-154 [set out below] is amended by striking ‘November 15, 1987’ and inserting ‘December 2, 1987’.”

Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890, provided: “That each provision of law amended by Public Law 100-122 [set out below], including those provisions amended by section 2 of such Public Law, is amended by striking out ‘October 31, 1987’ wherever it appears and inserting in lieu thereof ‘November 15, 1987’.”

Pub. L. 100-122, § 1, Sept. 30, 1987, 101 Stat. 793, provided that: “Each provision of law amended by Public Law 99-430 [set out below] is amended by striking out ‘September 30, 1987’ wherever it appears and inserting in lieu thereof ‘October 31, 1987’.”

Fiscal year 1987—Pub. L. 99-430, Sept. 30, 1986, 100 Stat. 986, provided: “That each provision of law amended by Public Law 99-345 [set out below] is amended by striking out ‘September 30, 1986’ wherever it appears and inserting in lieu thereof ‘September 30, 1987’.”

Fiscal year 1986—Pub. L. 99-349, title I, July 2, 1986, 100 Stat. 728, provided that: “The applicable limitation on additional commitments to insure mortgages and loans to carry out the purposes of the National Housing Act [12 U.S.C. 1701 et seq.] during fiscal year 1986 is increased by an additional \$57,580,000,000 of mortgage and loan principal.” and

“The applicable limitation on new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act [12 U.S.C. 1721] during fiscal year 1986 is increased by an additional \$49,000,000,000 of principal.”

Pub. L. 99-345, June 24, 1986, 100 Stat. 673, provided that:

“SECTION 1. Each provision of law amended by Public Law 99-289 [set out below], is amended by striking out ‘June 6, 1986’ wherever it appears and inserting in lieu thereof ‘September 30, 1986’.

“SEC. 2. The applicable limitation on additional commitments to insure mortgages and loans to carry out the purposes of the National Housing Act [12 U.S.C. 1701 et seq.] during fiscal year 1986 is increased by an additional \$9,500,000,000 of mortgage and loan principal.”

Pub. L. 99-289, May 2, 1986, 100 Stat. 412, provided that:

“SECTION 1. FEDERAL HOUSING ADMINISTRATION FUND.

“(a) The applicable limitation on additional commitments to insure mortgages and loans to carry out the purposes of the National Housing Act [12 U.S.C. 1701 et seq.] during fiscal year 1986 is increased by an additional \$17,000,000,000 of mortgage and loan principal.

“(b) Each provision of law amended by Public Law 99-267 [amending sections 1703, 1715h, 1715i, 1715z, 1715z-9, 1715z-10, 1715z-14, 1748h-1, 1748h-2, 1749bb, 1749aaa, 1749bbb, and 2811 of this title and sections 1452b, 1485, 1490, 1490c, 4026, 4056, 4101, and 5302 of Title 42, The Public Health and Welfare, and provisions set out as a note under section 1701q of this title] is amended by striking out ‘April 30, 1986’ wherever it appears and inserting in lieu thereof ‘June 6, 1986’.

“SEC. 2. GOVERNMENT NATIONAL MORTGAGE ASSOCIATION GUARANTEES OF MORTGAGE-BACKED SECURITIES.

“The applicable limitation on new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act [12 U.S.C. 1721] during fiscal year 1986 is increased by an additional \$60,684,750,000 of principal.

“SEC. 3. ADMINISTRATIVE PROVISION.

“(a) The Secretary of Housing and Urban Development (hereinafter referred to as the ‘Secretary’) shall estimate the rates at which the authority to make commitments to insure mortgages and loans under the National Housing Act [12 U.S.C. 1701 et seq.], and the authority to make commitments to issue guarantees under section 306(g) of that Act [12 U.S.C. 1721(g)], are likely to be used for the remainder of any fiscal year. The Secretary shall make these estimates at such times as the Secretary deems appropriate, but not less frequently than monthly.

“(b) If an estimate under subsection (a) indicates that either limitation on authority to make commitments for a fiscal year referred to in subsection (a) will be reached before the end of that fiscal year, or in any event whenever 75 per centum of either authority to make commitments has been utilized, the Secretary shall promptly so notify the Committee on Appropriations and the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Appropriations and the Committee on Banking, Finance and Urban Affairs [now Committee on Financial Services] of the House of Representatives.”

SPECIAL ASSISTANCE FUNCTIONS FUND; TRANSFER OF FUNDS

Pub. L. 98-371, title I, July 18, 1984, 98 Stat. 1218, directed Secretary to transfer all assets acquired and liabilities incurred pursuant to section 1720 of this title to management and liquidating functions fund established pursuant to this section, and that on Oct. 1, 1984, each outstanding obligation issued by Secretary of Housing and Urban Development to Secretary of the Treasury pursuant to section 1720(d) of this title, together with any promise to repay principal and unpaid interest which had accrued on each obligation, and any other term or condition specified by each such obligation, was canceled.

EMERGENCY MORTGAGE PURCHASE ASSISTANCE; TRANSFER OF FUNDS

For transfer of all assets acquired and liabilities incurred pursuant to section 1723e of this title to management and liquidating functions fund established by this section, with provision for cancellation of obligations, see title I [part] of Pub. L. 98-371, set out as a note under section 1723e of this title.

ADMINISTRATIVE EXPENSES IN CONNECTION WITH THE SALE OF CERTAIN MORTGAGES TO THE FEDERAL NATIONAL MORTGAGE ASSOCIATION

Pub. L. 86-372, title III, § 306(b), Sept. 23, 1959, 73 Stat. 670, as amended by Pub. L. 90-19, § 16(b), May 25, 1967, 81 Stat. 25; Pub. L. 90-448, title VIII, § 807(a), Aug. 1, 1968, 82 Stat. 544, provided that: “In connection with the sale of any mortgages to the Government National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act [subsection (e) of this section], the Secretary of Housing and Urban Development is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Secretary determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such

transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.”

§ 1722. Benefits and burdens incident to administration of functions and operations under sections 1720 and 1721

All of the benefits and burdens incident to the administration of the functions and operations of the Association under sections 1720 and 1721, respectively, of this title, after allowance for related obligations of the Association, its prorated expenses, and the like, including amounts required for the establishment of such reserves as the Secretary of Housing and Urban Development shall deem appropriate, shall inure solely to the Secretary of the Treasury, and such related earnings or other amounts as become available shall be paid annually by the Association to the Secretary of the Treasury for covering into miscellaneous receipts.

(June 27, 1934, ch. 847, title III, §307, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 619; amended Pub. L. 90-448, title VIII, §802(v), (w), Aug. 1, 1968, 82 Stat. 539.)

Editorial Notes

REFERENCES IN TEXT

Section 1720 of this title, referred to in text, was repealed by Pub. L. 98-181, title I [title IV, §483(a)], Nov. 30, 1983, 97 Stat. 1240.

PRIOR PROVISIONS

A prior section 307 of act June 27, 1934, ch. 847, title III, 48 Stat. 1255; amended Feb. 3, 1938, ch. 13, §8, 52 Stat. 24, related to exemption from taxation, prior to the general amendment of this subchapter by act July 1, 1948, ch. 784, §1, 62 Stat. 1206, and was subsequently covered by section 1719 of this title until the general amendment of this subchapter by act Aug. 2, 1954. See section 1723a(c) of this title.

AMENDMENTS

1968—Pub. L. 90-448 repealed subsecs. (a) and (b) which related to separate accountability and to functions of the Association under sections 1720 and 1721 of this title, redesignated subsec. (c) as the entire section, and substituted “Secretary of Housing and Urban Development” for “board of directors of the Association”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1968 AMENDMENT

For effective date of amendment by title VIII of Pub. L. 90-448, see section 808 of Pub. L. 90-448, set out as an Effective Date note under section 1716b of this title.

§ 1723. Management

(a) Government National Mortgage Association

All the powers and duties of the Government National Mortgage Association shall be vested in the Secretary of Housing and Urban Development and the Association shall be administered under the direction of the Secretary. Within the limitations of law, the Secretary shall determine the general policies which shall govern the operations of the Association, and shall have power to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law. There is

hereby established in the Department of Housing and Urban Development the position of President, Government National Mortgage Association, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall select and effect the appointment of qualified persons to fill the offices of vice president, and such other offices as may be provided for in the bylaws. Persons appointed under the preceding sentence shall perform such executive functions, powers, and duties as may be prescribed by the bylaws or by the Secretary, and such persons shall be executive officers of the Association and shall discharge all such executive functions, powers, and duties.

(b) Federal National Mortgage Association

The Federal National Mortgage Association shall have a board of directors, which shall consist of 13 persons, or such other number that the Director determines appropriate, who shall be elected annually by the common stockholders. Except to the extent that action under section 4636a of this title temporarily results in a lesser number, the board shall at all times have as members at least one person from the home-building industry, at least one person from the mortgage lending industry, at least one person from the real estate industry, and at least one person from an organization that has represented consumer or community interests for not less than 2 years or one person who has demonstrated a career commitment to the provision of housing for low-income households. Each member of the board of directors shall be elected for a term ending on the date of the next annual meeting of the stockholders. Any seat on the board which becomes vacant after the annual election of the directors shall be filled by the board, but only for the unexpired portion of the term. Within the limitations of law and regulation, the board shall determine the general policies which shall govern the operations of the corporation, and shall have power to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law. The board of directors shall select and effect the appointment of qualified persons to fill the offices of president and vice president, and such other offices as may be provided for in the bylaws. Any member of the board who is a full-time officer or employee of the Federal Government shall not, as such member, receive compensation for his services.

(June 27, 1934, ch. 847, title III, §308, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 620; amended Pub. L. 89-174, §5(b), Sept. 9, 1965, 79 Stat. 669; Pub. L. 89-754, title X, §1020(d), Nov. 3, 1966, 80 Stat. 1296; Pub. L. 90-19, §1(l), (m), May 25, 1967, 81 Stat. 18, 19; Pub. L. 90-448, title VIII, §802(y), Aug. 1, 1968, 82 Stat. 539; Pub. L. 94-375, §17(a), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 98-440, title II, §207, Oct. 3, 1984, 98 Stat. 1696; Pub. L. 102-550, title XIII, §1381(h)(1), (i), Oct. 28, 1992, 106 Stat. 3996; Pub. L. 110-289, div. A, title I, §§1153(b)(2), 1162(a)(1), July 30, 2008, 122 Stat. 2775, 2781.)