

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” in two places.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-369 effective Oct. 1, 1979, see section 2813(c) of Pub. L. 98-369, set out as an Effective Date note under section 1795k of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

§ 1795c. Membership

(a) Credit unions serving natural persons

A credit union primarily serving natural persons may be a Regular member of the Facility by subscribing to the capital stock of the Facility in an amount not less than one-half of 1 per centum of the credit union’s paid-in and unimpaired capital and surplus.

(b) Credit unions serving other credit unions

A credit union or group of credit unions, primarily serving other credit unions, may be an Agent member of the Facility by—

(1) obtaining the approval of the Board;

(2) subscribing to the capital stock of the Facility in an amount not less than one-half of 1 per centum of the paid-in and unimpaired capital and surplus of all those credit unions which primarily serve natural persons, which are members of such credit union or of any credit union comprising such credit union group, and which are not regular members;

(3) agreeing to comply with rules and regulations the Board shall prescribe with respect to, but not limited to, management quality, asset and liability safety and soundness, internal operating and control practices and procedures, and participation of natural persons in the affairs of such credit union or credit union group; and

(4) agreeing to submit to the supervision of the Board which shall include, but not be limited to, reporting requirements and periodic unrestricted examinations.

(c) Stock subscription requirements

Stock subscriptions provided for in subsections (a) and (b)(2) of this section shall be—

(1) based on an arithmetic average of paid-in capital and surplus over the six months preceding application and membership; and

(2) adjusted at the close of each calendar year in accordance with an arithmetic average of paid-in capital and surplus over a period determined by the Board.

(d) Functions of Agent members of Facility

An Agent member of the Facility shall perform for its member credit unions those functions required by the Board to carry out this subchapter.

(e) Withdrawal from or termination of membership

(1) A member of the Facility whose capital stock subscription constitutes less than 5 per centum of such stock outstanding, may withdraw from membership in the Facility six months after notifying the Board of its intention to do so.

(2) A member of the Facility whose capital stock subscription constitutes 5 per centum or more of such stock outstanding, may withdraw from membership in the Facility twenty-four months after notifying the Board of its intention to do so.

(3) The Board may terminate membership in the Facility if, after opportunity for a hearing, the Board determines a member has failed to comply with any provision of this subchapter or regulation issued pursuant thereto.

(June 26, 1934, ch. 750, title III, formerly subch. III, §304, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978, 92 Stat. 3681, 3720; Pub. L. 96-221, title III, §309(a)(4), (b)(1), (2), Mar. 31, 1980, 94 Stat. 149; Pub. L. 109-351, title VII, §726(26), Oct. 13, 2006, 120 Stat. 2003.)

CODIFICATION

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

AMENDMENTS

2006—Subsec. (b)(3). Pub. L. 109-351 substituted “the affairs of such credit union” for “the affairs or such credit union”.

1980—Subsecs. (b), (c). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been made previously by Pub. L. 95-630.

Subsecs. (d), (e). Pub. L. 96-221, §309(a)(4), (b)(2), substituted “Board” for “Administrator” wherever appearing, such change having been made previously by Pub. L. 95-630, and “title” for “subchapter” wherever appearing, which for purposes of codification has been editorially translated as “subchapter”, thereby requiring no further change in text.

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630 set out as a note under section 1752 of this title.

§ 1795d. Capital stock

(a) Opening of books; minimum subscription

As soon as practicable, the Board shall open books for subscriptions to the capital stock of the Facility. The minimum subscription shall be \$50.

(b) Requirements

The capital stock of the Facility—

(1) shall be divided into shares having a par value of \$50 each;

(2) shall be paid for with cash or with securities of the United States or any Agency thereof in accordance with requirements the Board may impose;

(3) shall share in dividend distributions at rates determined by the Board. However, rates on the required capital stock shall be without preference; and

(4) shall not be transferred or hypothecated except as provided for herein.

(c) Redemption of stock

When circumstances require that all or a portion of a member’s stock be redeemed by the Fa-