

(Pub. L. 92-181, title III, §3.25, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, §407(f), Aug. 17, 1988, 102 Stat. 1000.)

#### AMENDMENTS

1988—Pub. L. 100-399 amended section generally. Prior to amendment, section read as follows: “The board of directors of the consolidated bank shall provide for the capitalization of such bank in accordance with the provisions of section 2154a of this title.”

#### 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.

### § 2147. Patronage pools

Under such terms and conditions as may be determined by its board of directors, the consolidated bank may—

(1) for a period of at least 3 years following January 6, 1988, establish separate patronage pools consisting of loans to eligible borrowers located in each constituent farm credit district (as such district existed on January 6, 1988); and

(2) allocate revenues, expenses, and net savings among such pools on an equitable basis.

(Pub. L. 92-181, title III, §3.26, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

### § 2148. Transactions to accomplish merger

The receipt of assets or assumption of liabilities by the consolidated bank, the exchange of stock, equities, or other ownership interests, and any other transaction carried out in accomplishing the merger of the banks for cooperatives shall not be treated as a taxable event under the laws of the United States or of any State or political subdivision thereof. The preceding sentence shall also apply to the receipt of 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.)

#### AMENDMENTS

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

#### 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 lim-

its that were previously established by the Farm Credit Administration for a district bank for cooperatives and the Central Bank for Cooperatives 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.)

### § 2149a. Reports by merged banks for cooperatives

#### (a) In general

When two or more banks for cooperatives merge, the resulting bank shall, not later than December 31 of each year of the succeeding 5 years following the date of the merger, file an annual report with the Farm Credit Administration that—

(1) analyzes the effect of the merger;

(2) includes a breakdown of loans outstanding according to the size of the cooperative stockholders of the bank; and

(3) describes the adequacy of credit and other assistance services provided to smaller cooperatives.

#### (b) Availability

A copy of the report required in subsection (a) of this section shall be made available to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(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.)

#### CODIFICATION

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. Revolving fund

The revolving fund established by this section (in effect immediately before January 6, 1988) shall be available to the Farm Credit Administration and the Assistance Board during the periods, and for the purposes, provided for in sections 2278a-13 and 2278a-7 of this title, respectively.

(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.)

#### REFERENCES IN TEXT

For explanation of the revolving fund established by this section (in effect immediately before January 6, 1988), referred to in text, see Revolving Funds note below.

#### AMENDMENTS

1988—Pub. L. 100-399 amended section generally. Prior to amendment, section read as follows:

“(a) REVOLVING FUND.—The revolving fund established by this section (in effect immediately before January 6, 1988) shall be available to the Farm Credit Administration during the period, and for the purposes provided for, in sections 2278a-7(b) and 2278a-13 of this title.

“(b) FARM CREDIT INSURANCE FUND.—On the date the first premium is due and payable under section 2277a-5(c) of this title, any funds remaining in the revolving fund shall be transferred to the Farm Credit Insurance Fund in accordance with the terms and conditions established by the Farm Credit Administration.”

Pub. L. 100-233 amended section generally. Prior to amendment, section read as follows: “The revolving fund established by Public Law 87-343, 75 Stat. 758, as amended, and the revolving fund established by Public Law 87-494, 76 Stat. 109, as amended, and continued by Public Law 96-592, shall be merged and shall be available to the Farm Credit Administration for the purchase, on behalf of the United States, of capital stock of the Capital Corporation. The Farm Credit Administration may make such purchases of stock as the Farm Credit Administration determines, in its discretion, are necessary to achieve the purposes of this chapter.”

1985—Pub. L. 99-205 substituted provisions relating to revolving funds and investments for provisions respecting stock purchased by the Governor for the Farm Credit Administration, retirement, and franchise tax.

#### 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.

#### REVOLVING FUNDS

The revolving fund established by this section (in effect immediately before January 6, 1988), referred to in text, means the revolving fund created by former provisions of this section, which merged the revolving fund established by Public Law 87-343, 75 Stat. 758, as amended (described below as “first fund”), with the revolving fund established by Public Law 87-494, 76 Stat. 109, as amended (described below as “second fund”), which was regarded as continued by Pub. L. 96-592.

At the time of enactment of former section 2152 of this title (see second par. of note under former section 2152 of this title) by Pub. L. 92-181 funds for temporary investment by the Governor of the Farm Credit Administration in the farm credit system were available from two revolving funds.

The first fund, providing moneys for investment in production credit associations and intermediate credit banks, was covered by former section 1131i of this title. Such fund was itself the result of an earlier merger of two revolving funds, the first having been created by the Farm Credit Act of 1933 and the second having been created by the Federal Farm Mortgage Corporation Act of 1934. These two were combined into a single fund pursuant to Pub. L. 87-343, §2(1), Oct. 3, 1961, 75 Stat. 758. Each of the statutory steps in the establishment of such fund was cast in the form of an amendment to the Farm Credit Act of 1933. Since such Farm Credit Act of 1933 has been repealed by section 5.26 of Pub. L. 92-181, section 1131i of this title is carried as repealed. Notwithstanding such apparent repeal, statements of Congressional intent indicate an intention to retain the fund using as its statutory base the law (Pub. L. 87-343) which had effected the consolidation in 1961.

The second fund, providing moneys for investment in banks for cooperatives, is covered by section 1141d of this title. Although the basic authority for such fund would be the Agricultural Marketing Act of 1929, a more updated authority for such fund is the Agricul-

tural Marketing Act Amendment of 1962, Pub. L. 87-494, June 25, 1962, 76 Stat. 109, under which the fund was reduced to \$150,000,000 and the amount in such fund in excess of such figure was returned to the Treasury as miscellaneous receipts.

Pub. L. 96-592, referred to above as continuing the revolving fund established by Pub. L. 87-494, is the Farm Credit Act Amendment of 1980, Pub. L. 96-592, Dec. 24, 1980, 94 Stat. 3437. For complete classification of this Act to the Code, see Short Title of 1980 Amendment note set out under section 2001 of this title and Tables.

#### § 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. See section 2151 of this title.

#### 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