

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

If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the receiver of the institution shall retire such stock at par value as would have been retired in the ordinary course of business of the institution, and—

(1) during the 5-year period beginning on January 6, 1988, the Assistance Board shall direct the Financial Assistance Corporation to provide the receiver with sufficient funds to enable the receiver to carry out this subsection; and

(2) after such 5-year period, the Farm Credit System Insurance Corporation shall provide the receiver with sufficient funds from the Farm Credit Insurance Fund to enable the receiver to carry out this subsection.

**(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—

(A) is outstanding on January 6, 1988;

(B) is issued or allocated after January 6, 1988, but prior to the earlier of—

(i) in the case of each bank and association, the date of approval, by the stockholders of such bank or association, of the capitalization requirements of the institution in accordance with section 2154a of this title; or

(ii) the date that is 9 months after January 6, 1988;

(C) was, after January 1, 1983, but before January 6, 1988, frozen by an institution that was placed in liquidation; or

(D) was retired at less than par value by an institution that was placed in liquidation after January 1, 1983, but before January 6, 1988.

**(3) Institution**

The term “institution” means a bank or association chartered under this chapter.

**(4) Par value**

The term “par value” means—

(A) in the case of stock, par value;

(B) in the case of participation certificates and other equities and interests not described in subparagraph (C), face or equivalent value; or

(C) in the case of participation certificates and allocated equities subject to retirement under a revolving cycle but that a System institution elects to retire out of order for application against a loan in default or otherwise as provided in this chapter, par or face value discounted, at a rate determined

by the institution, to reflect the present value of the equity or interest as of the date of such retirement.

(Pub. L. 92-181, title IV, §4.9A, as added Pub. L. 100-233, title I, §101, Jan. 6, 1988, 101 Stat. 1572; amended Pub. L. 100-399, title I, §101(b)-(d), Aug. 17, 1988, 102 Stat. 989.)

PRIOR PROVISIONS

A prior section 4.9A of Pub. L. 92-181, which authorized a central reserve for Farm Credit System, was classified to section 2161 of this title and was repealed by Pub. L. 100-399, §101(a).

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-399, §101(b), struck out provision that an institution whose capital stock is impaired coordinate retirement of stock under this section with the activities of the Assistance Board and the Financial Assistance Corporation.

Subsec. (c). Pub. L. 100-399, §101(c), inserted “stock” in subsec. heading and amended text generally. Prior to amendment, text read as follows: “If an institution is unable to retire eligible borrower stock at par value due to the freezing of such stock during a liquidation of the institution, the receiver of the institution shall retire such stock at par value as would have been retired in the ordinary course of business of the institution and the Financial Assistance Corporation, on request of the Assistance Board, shall provide the receiver with sufficient funds to enable the receiver to carry out this subsection.”

Subsec. (d)(2)(B). Pub. L. 100-399, §101(d), in introductory provision substituted “issued or allocated” for “required to be purchased, and is purchased, as a condition of obtaining a loan made” and in cl. (i) substituted “section 2154a of this title” for “section 4.9B”.

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.

PART B—DISSOLUTION

AMENDMENTS

1988—Pub. L. 100-233, title IV, §418(a)(1), formerly §415(a)(1), Jan. 6, 1988, 101 Stat. 1653, renumbered §418(a)(1), Pub. L. 100-399, title IV, §409(a), Aug. 17, 1988, 102 Stat. 1003, substituted “Dissolution” for “Dissolution and merger” as part B heading.

**§§ 2181, 2182. Repealed. Pub. L. 100-233, title IV, § 418(a)(2), (3), formerly § 415(a)(2), (3), Jan. 6, 1988, 101 Stat. 1653; renumbered § 418(a)(2), (3), Pub. L. 100-399, title IV, § 409(a), Aug. 17, 1988, 102 Stat. 1003**

Section 2181, Pub. L. 92-181, title IV, §4.10, Dec. 10, 1971, 85 Stat. 612; Pub. L. 96-592, title IV, §402, Dec. 24, 1980, 94 Stat. 3446, related to merger of similar banks.

Section 2182, Pub. L. 92-181, title IV, §4.11, Dec. 10, 1971, 85 Stat. 612; Pub. L. 99-205, title II, §205(f)(4), Dec. 23, 1985, 99 Stat. 1706, related to board of directors for merged bank.

**§ 2183. Dissolution; voluntary or involuntary liquidation; mergers; receiverships or conservators**

**(a) Voluntary liquidation; consent of Farm Credit Administration; rules and regulations; minimization of adverse effect; voluntary merger; mandatory merger on failure to comply or meet obligations**

No institution of the System shall go into voluntary liquidation without the consent of the