

**§ 2209. Compensation of bank directors****(a) In general**

The Farm Credit Administration shall monitor the compensation of members of the board of directors of a System bank received as compensation for serving as a director of the bank to ensure that the amount of the compensation does not exceed a level of \$20,000 per year, as adjusted to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, unless the Farm Credit Administration determines that such level adversely affects the safety and soundness of the bank.

**(b) Waiver**

The Farm Credit Administration may waive the limitation prescribed in subsection (a) of this section under exceptional circumstances, as determined in accordance with regulations promulgated by the Farm Credit Administration.

(Pub. L. 92-181, title IV, § 4.21, as added Pub. L. 100-399, title IV, § 414, Aug. 17, 1988, 102 Stat. 1004; amended Pub. L. 102-552, title V, § 509, Oct. 28, 1992, 106 Stat. 4132.)

## AMENDMENTS

1992—Pub. L. 102-552 amended section generally. Prior to amendment, section read as follows: “No member of the board of directors of a System bank may receive more than \$15,000 per year under this chapter as compensation for serving as a director of such bank.”

## EFFECTIVE DATE

Section effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as an Effective Date of 1988 Amendment note under section 2002 of this title.

## PART E—SERVICE ORGANIZATIONS

## AMENDMENTS

1988—Pub. L. 100-233, title VIII, § 805(t)(2), Jan. 6, 1988, 101 Stat. 1716, redesignated part D as E.

**§ 2211. Establishment**

Any bank of the Farm Credit System, or two or more of such banks acting together, may organize a corporation or corporations for the purpose of performing functions and services for or on behalf of the organizing bank or banks that the bank or banks may perform pursuant to this chapter: *Provided*, That a corporation so organized shall have no authority either to extend credit or provide insurance services for borrowers from Farm Credit System institutions, nor shall it have any greater authority with respect to functions and services than the organizing bank or banks possess under this chapter. The organizing bank or banks shall apply for a Federal charter for the corporation by forwarding to the Farm Credit Administration a statement of the need for the corporation and proposed articles specifying in general terms the objectives for which the corporation is formed, the powers to be exercised by it in carrying out the functions and services, and the territory it is to serve. The Farm Credit Administration for good cause may deny the charter applied for. Upon the approval of articles by the Farm Credit Ad-

ministration and the issuance of a charter, the corporation shall become as of such date a federally chartered body corporate and an instrumentality of the United States.

(Pub. L. 92-181, title IV, § 4.25, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(8), Dec. 23, 1985, 99 Stat. 1706.)

## AMENDMENTS

1985—Pub. L. 99-205 struck out “the Governor of” before “the Farm Credit Administration” in second sentence and substituted “Farm Credit Administration” for “Governor” in third and fourth sentences.

## 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.

**§ 2212. Powers of Farm Credit Administration**

The Farm Credit Administration shall have power, under rules and regulations prescribed by the Farm Credit Administration, to provide for the organization of any corporation chartered under this part and the territory within which its operations may be carried on, and to approve amendments consistent with this chapter to charters or articles of service corporations.

(Pub. L. 92-181, title IV, § 4.26, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(9), Dec. 23, 1985, 99 Stat. 1706; Pub. L. 100-233, title VIII, § 802(s), Jan. 6, 1988, 101 Stat. 1712.)

## AMENDMENTS

1988—Pub. L. 100-233 struck out “or by prescribing in the terms of the charter or by approval of the bylaws of the corporation” after second reference to Farm Credit Administration, substituted “approve amendments consistent with this chapter to charters or articles of service corporations” for “direct at any time such changes in its charter as the Farm Credit Administration finds necessary for the accomplishment of the purposes of this chapter”, and struck out last sentence which read as follows: “The powers of the Farm Credit Administration to provide for the organization of any corporation chartered under this part include, but are not limited to approval of—

“(1) corporate title;

“(2) general corporate powers;

“(3) eligibility for membership on, and the powers, composition, selection, terms, and compensation of the board of directors;

“(4) classes, issuance, value, and retirement of stock;

“(5) sources of operating funds;

“(6) dissolution, liquidation, and distribution of assets on liquidation; and

“(7) application and distribution of earnings.”

1985—Pub. L. 99-205 substituted “Farm Credit Administration” for “Governor” in heading and wherever appearing in text, and substituted “the Federal Credit Administration” for “he” before “finds necessary” in first sentence.

## 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.

**§ 2213. Regulation and examination**

The corporations organized under this part shall be institutions of the Farm Credit System

and shall be subject to the same regulation and examination by the Farm Credit Administration as are the organizing bank or banks under this chapter.

(Pub. L. 92-181, title IV, § 4.27, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(10), Dec. 23, 1985, 99 Stat. 1706; Pub. L. 100-233, title VIII, § 802(t), Jan. 6, 1988, 101 Stat. 1712.)

#### AMENDMENTS

1988—Pub. L. 100-233 substituted “Regulation” for “Supervision” in section catchline.

1985—Pub. L. 99-205 substituted “regulation” for “supervision”.

#### 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.

#### § 2214. State laws

State and other laws shall apply to corporations organized pursuant to this part to the same extent such laws would apply to the organizing banks engaged in the same activity in the same jurisdiction: *Provided, however,* That to the extent that sections 2023, 2098, and 2134 of this title may exempt banks or associations of the Farm Credit System from taxation, such exemptions, other than with respect to franchise taxes, shall not extend to corporations organized pursuant to this part.

(Pub. L. 92-181, title IV, § 4.28, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3448; amended Pub. L. 100-399, title IX, § 901(k), Aug. 17, 1988, 102 Stat. 1007; Pub. L. 102-237, title V, § 502(g), Dec. 13, 1991, 105 Stat. 1869.)

#### AMENDMENTS

1991—Pub. L. 102-237 made technical amendment to reference to section 2098 of this title to reflect change in reference to corresponding section of original act.

1988—Pub. L. 100-399 inserted “or associations” and substituted “2023, 2098,” for “2055, 2079,”.

#### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(4) of Pub. L. 102-237, set out as a note under section 1421 of Title 7, Agriculture.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

#### § 2214a. “Bank” defined

In this part, the term “bank” includes each association operating under subchapter II of this chapter.

(Pub. L. 92-181, title IV, § 4.28A, as added Pub. L. 104-105, title II, § 209, Feb. 10, 1996, 110 Stat. 174.)

#### PRIOR PROVISIONS

A prior section 4.28A of title IV of Pub. L. 92-181, which provided for chartering of Farm Credit System Capital Corporation by Farm Credit Administration

and revoked charter of Farm Credit System Capital Corporation which had been issued under part D of this subchapter, was classified to section 2216 of this title, prior to repeal by Pub. L. 100-233, title II, § 207(a)(3), Jan. 6, 1988, 101 Stat. 1607.

#### PART D1—FARM CREDIT SYSTEM CAPITAL CORPORATION

#### §§ 2216 to 2216k. Repealed. Pub. L. 100-233, title II, § 207(a)(3), Jan. 6, 1988, 101 Stat. 1607

Section 2216, Pub. L. 92-181, title IV, § 4.28A, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1680, provided for chartering of Farm Credit System Capital Corporation by Farm Credit Administration and revoked charter of Farm Credit System Capital Corporation which had been issued under part D of this subchapter. See sections 2278a et seq. and 2278b et seq. of this title.

Section 2216a, Pub. L. 92-181, title IV, § 4.28B, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1680, set out purposes of Capital Corporation. See sections 2278a-1 and 2278b-1 of this title.

Section 2216b, Pub. L. 92-181, title IV, § 4.28C, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1680, provided for Board of Directors of Capital Corporation. See sections 2278a-2 and 2278b-2 of this title.

Section 2216c, Pub. L. 92-181, title IV, § 4.28D, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1682, provided for compensation of members of Board of Directors of Capital Corporation. See sections 2278a-2 and 2278b-2 of this title.

Section 2216d, Pub. L. 92-181, title IV, § 4.28E, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1682, authorized Board of Directors of Capital Corporation to adopt rules. See sections 2278a-2 and 2278b-2 of this title.

Section 2216e, Pub. L. 92-181, title IV, § 4.28F, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1682, provided for selection of chief executive officer of Capital Corporation. See sections 2278a-2 and 2278b-2 of this title.

Section 2216f, Pub. L. 92-181, title IV, § 4.28G, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1682, enumerated corporate powers of Capital Corporation. See sections 2278a-3 and 2278b-4 of this title.

Section 2216g, Pub. L. 92-181, title IV, § 4.28H, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1685, provided for succession of Capital Corporation. See section 2278a-9 of this title.

Section 2216h, Pub. L. 92-181, title IV, § 4.28I, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1685, set out provisions limiting powers of Capital Corporation. See section 2278a-8 of this title.

Section 2216i, Pub. L. 92-181, title IV, § 4.28J, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1686, set out authority of Secretary of the Treasury. See section 2278b-6 of this title.

Section 2216j, Pub. L. 92-181, title IV, § 4.28K, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1687, provided for initial capitalization of Capital Corporation.

Section 2216k, Pub. L. 92-181, title IV, § 4.28L, as added Pub. L. 99-205, title I, § 103, Dec. 23, 1985, 99 Stat. 1687, provided for tax status of consolidated obligations. See sections 2278a-11 and 2278b-10 of this title.

#### EFFECTIVE DATE OF REPEAL

Repeal effective 15 days after Jan. 6, 1988, see section 207(b) of Pub. L. 100-233, set out as a note under section 2152 of this title.

#### PART F—SALE OF INSURANCE

#### AMENDMENTS

1988—Pub. L. 100-399, title VII, § 702(c), Aug. 17, 1988, 102 Stat. 1006, redesignated part G as F.

Pub. L. 100-233, title VIII, § 805(u), Jan. 6, 1988, 101 Stat. 1716, redesignated part E as G.