

each System institution required to purchase Corporation stock under subsection (a)(3) of this section of the amount of the stock it is required to purchase.

(d) Institution requirements after notice

Within 15 days after a System institution is notified of the amounts due under subsection (c) of this section, the institution shall purchase from the Financial Assistance Corporation the amount of stock required to be purchased by the institution under this section. No further stock purchases, obligations, or assessments shall be required beyond that provided in section 2278b-6 of this title and this section.

(e) Jurisdiction over actions

Notwithstanding any other provision of law, the United States district court for the District of Columbia shall have exclusive jurisdiction over any action brought under or arising out of this section. No suit or proceeding shall be maintained for the recovery of any amount of stock alleged to have been erroneously or illegally purchased, and no suit or proceeding shall be maintained to enjoin or otherwise prevent or impede the giving of notice or the purchase of stock required under this section, unless the amount of stock required to be purchased under this section has been purchased and paid for in full.

(Pub. L. 92-181, title VI, § 6.29, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1603; amended Pub. L. 100-460, title VI, § 646, Oct. 1, 1988, 102 Stat. 2266.)

AMENDMENTS

1988—Subsec. (a)(1). Pub. L. 100-460, § 646(1), substituted “paragraphs (2) and (3)” for “paragraph (2)” in introductory provisions.

Subsec. (a)(3). Pub. L. 100-460, § 646(2), added par. (3).

Subsec. (c). Pub. L. 100-460, § 646(3), (4), designated existing provisions as par. (1), redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, and added par. (2).

EFFECTIVE DATE OF 1988 AMENDMENTS

Pub. L. 101-220, § 7(a), Dec. 12, 1989, 103 Stat. 1881, and Pub. L. 101-239, title I, § 1006(a), Dec. 19, 1989, 103 Stat. 2109, provided that: “Notwithstanding any other provision of law, the amendments to section 6.29 of the Farm Credit Act of 1971 (12 U.S.C. 2278b-9) made by section 646 of the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1989 (Public Law 100-460; 102 Stat. 2266) shall be effective on October 1, 1992.”

Pub. L. 100-460, title VI, § 646, Oct. 1, 1988, 102 Stat. 2266, provided that the amendment made by that section is effective Oct. 1, 1989.

PAYMENTS TO FARM CREDIT SYSTEM INSTITUTIONS FOR PURCHASES OF FINANCIAL ASSISTANCE CORPORATION STOCK

Pub. L. 101-239, title I, § 1006(b), Dec. 19, 1989, 103 Stat. 2109, directed Financial Assistance Corporation to pay, out of Financial Assistance Corporation Trust Fund established under section 2278b-5(b) of this title, to each of institutions of Farm Credit System that purchased stock in Financial Assistance Corporation under section 2278b-9 of this title, four annual payments, required the annual payments to be made available as soon as practicable after October 1 of each of calendar years 1989 through 1992, established method of calculating payments, and provided that payments be made available to such institutions in an amount equal to total amount of annual payments to be made available

times the ratio of the amount of stock each institution purchased divided by \$177,000,000.

Similar provisions were contained in Pub. L. 101-220, § 7(b), Dec. 12, 1989, 103 Stat. 1881.

§ 2278b-10. Exemption from taxation

(a) Assets

The Financial Assistance Corporation, and the capital, reserves, and surplus thereof, and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes on real estate held by the Financial Assistance Corporation to the same extent, according to its value, as other similar property held by other persons is taxed.

(b) Obligations

The notes, bonds, debentures, and other obligations issued by the Financial Assistance Corporation shall be accorded the same tax treatment as System-wide obligations.

(Pub. L. 92-181, title VI, § 6.30, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1604.)

§ 2278b-11. Termination

(a) Financial Assistance Corporation

The Financial Assistance Corporation and the authority provided to such Corporation by this part shall terminate on the complete discharge by the Financial Assistance Corporation of its responsibilities under section 2278a-9(e) of this title and subsections (c) through (g) of section 2278b-6 of this title with regard to repayments by System institutions, but in no event later than 2 years following the maturity and full payment of all debt obligations issued under section 2278b-6(a) of this title.

(b) Accounts

Simultaneously with the termination of the Financial Assistance Corporation as provided in subsection (a) of this section, any funds in the accounts established under section 2278b-5 of this title shall be transferred to the Insurance Fund established under section 2277a-9 of this title.

(Pub. L. 92-181, title VI, § 6.31, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1605; amended Pub. L. 102-552, title III, § 307(b), Oct. 28, 1992, 106 Stat. 4116.)

AMENDMENTS

1992—Subsec. (a). Pub. L. 102-552 substituted “terminate on the complete discharge by the Financial Assistance Corporation of its responsibilities under section 2278a-9(e) of this title and subsections (c) through (g) of section 2278b-6 of this title with regard to repayments by System institutions, but in no event later than 2 years following” for “terminate on”.

SUBCHAPTER VII—RESTRUCTURING OF SYSTEM INSTITUTIONS

AMENDMENTS

1988—Pub. L. 100-399, title IV, § 408(a), Aug. 17, 1988, 102 Stat. 1001, substituted “RESTRUCTURING OF” for “MERGERS OF” in subchapter heading.

PART A—MERGER OF BANKS WITHIN A DISTRICT

§ 2279a. Power to merge

The banks within a district may merge into a single entity (hereinafter in this subchapter re-

ferred to as a “merged bank”) if the plan of merger is approved by—

- (1) the Farm Credit Administration Board;
- (2) the respective boards of directors of the banks involved;

(3) a majority of the stockholders of each bank voting, in person or by proxy, at a duly authorized stockholders’ meeting with each association entitled to cast a number of votes equal to the number of its voting stockholders; and

(4) in the case of a bank for cooperatives, a majority of the total equity interests in such merging bank for cooperatives (including allocated, but not unallocated, surplus and reserves) held by those stockholders or subscribers to the guaranty fund of the bank voting.

(Pub. L. 92-181, title VII, §7.0, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1645; amended Pub. L. 100-399, title IV, §408(b), Aug. 17, 1988, 102 Stat. 1001.)

AMENDMENTS

1988—Pub. L. 100-399 substituted “The banks” for “Two or more banks” in introductory provisions, and in par. (3) substituted “with each association entitled to cast a number of votes equal to the number of its voting” for “in accordance with the provisions of section 2223(c) of this title relating to the casting of votes by”.

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.

§ 2279a-1. Board of directors

Each merged bank shall elect a board of directors of such number, for such term, in such manner, and with such qualifications, as may be required in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

(Pub. L. 92-181, title VII, §7.1, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1645; amended Pub. L. 100-399, title IV, §408(c), Aug. 17, 1988, 102 Stat. 1001.)

AMENDMENTS

1988—Pub. L. 100-399 struck out “for the district” in section catchline and amended text generally, revising and restating as a single unlettered paragraph provisions of former subsecs. (a) and (b).

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.

§ 2279a-2. Powers of merged banks

(a) In general

Except as otherwise provided in this subchapter, a merged bank shall have all of the powers granted to, and shall be subject to all of the obligations imposed on, any of the constituent entities of the merged bank.

(b) Regulations

The Farm Credit Administration shall issue regulations that establish the manner in which

the powers and obligations of the banks that form the merged bank are consolidated, and to the extent necessary, reconciled in the merged bank.

(Pub. L. 92-181, title VII, §7.2, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1645.)

§ 2279a-3. Capitalization

In accordance with section 2154a of this title, each merged bank shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the bank and the manner in which bank stock shall be issued, held, transferred, and retired and bank earnings distributed.

(Pub. L. 92-181, title VII, §7.3, as added Pub. L. 100-399, title IV, §408(d), Aug. 17, 1988, 102 Stat. 1001.)

PRIOR PROVISIONS

A prior section 2279a-3, Pub. L. 92-181, title VII, §7.3, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1645, related to issuance of shares of capital stock, prior to repeal by Pub. L. 100-399, title IV, §408(d), Aug. 17, 1988, 102 Stat. 1001.

EFFECTIVE DATE

Section 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 an Effective Date of 1988 Amendment note under section 2002 of this title.

§ 2279a-4. Repealed. Pub. L. 100-399, title IV, § 408(d), Aug. 17, 1988, 102 Stat. 1001

Section, Pub. L. 92-181, title VII, §7.4, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1646, related to earnings, reserves, and distributions with regard to merged banks. See section 2279a-3 of this title.

EFFECTIVE DATE OF REPEAL

Repeal effective as if repealing provisions had been 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 an Effective Date of 1988 Amendment note under section 2002 of this title.

§ 2279a-5. Transferred

CODIFICATION

Section, Pub. L. 92-181, title VII, §7.5, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1646, which required reports by merged banks for cooperatives, was renumbered section 3.29 of title III of Pub. L. 92-181 by Pub. L. 100-399, title IV, §408(e), Aug. 17, 1988, 102 Stat. 1001, and is classified to section 2149a of this title.

PART B—MERGERS, TRANSFERS OF ASSETS, AND POWERS OF ASSOCIATIONS WITHIN A DISTRICT

SUBPART 1—TRANSFERS BY FEDERAL LAND BANKS TO FEDERAL LAND BANK ASSOCIATIONS

§ 2279b. Transfer of lending authority

(a) Voluntary transfers

A Federal land bank or a merged bank having a Federal land bank as one of its constituents, may transfer to a Federal land bank association, and the association may assume, the authority of the transferring bank in the territorial area served by the association, to make and partici-