

(D) Service after expiration of term

A member may serve after the expiration of the term of the member until the successor of the member has taken office.

(7) Quorum

8 members of the permanent board shall constitute a quorum.

(8) No additional pay for Federal officers or employees

Members of the permanent board who are fulltime officers or employees of the United States shall receive no additional pay by reason of service on the permanent board.

(9) Chairperson

The President shall designate 1 of the members of the permanent board who are appointed by the President as the chairperson of the permanent board.

(10) Meetings

The permanent board shall meet at the call of the chairperson or a majority of its members.

(c) Officers and staff

The Board may appoint, employ, fix the pay of, and provide other allowances and benefits for such officers and employees of the Corporation as the Board determines to be appropriate.

(Pub. L. 92-181, title VIII, §8.2, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1688; amended Pub. L. 100-399, title VI, §601(b), Aug. 17, 1988, 102 Stat. 1005.)

AMENDMENTS

1988—Subsecs. (a)(1), (b)(3)(B). Pub. L. 100-399 substituted “date of the enactment” for “effective date”, both of which for purposes of codification were translated as “January 6, 1988.”.

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.

§ 2279aa-3. Powers and duties of Corporation and Board**(a) Guarantees**

After the Board has been duly constituted, subject to the other provisions of this subchapter and other commitments and requirements established pursuant to law, the Corporation may provide guarantees on terms and conditions determined by the Corporation of securities issued on the security of, or in participation in, pooled interests in qualified loans.

(b) Duties of Board**(1) In general**

The Board shall—

(A) determine the general policies that shall govern the operations of the Corporation;

(B) select, appoint, and determine the compensation of qualified persons to fill such offices as may be provided for in the bylaws of the Corporation; and

(C) assign to such persons such executive functions, powers, and duties as may be pre-

scribed by the bylaws of the Corporation or by the Board.

(2) Executive officers and functions

The persons elected or appointed under paragraph (1)(B) shall be the executive officers of the Corporation and shall discharge the executive functions, powers, and duties of the Corporation.

(c) Powers of Corporation

The Corporation shall be a body corporate and shall have the following powers:

(1) To operate under the direction of its Board.

(2) To issue stock in the manner provided in section 2279aa-4 of this title.

(3) To adopt, alter, and use a corporate seal, which shall be judicially noted.

(4) To provide for a president, 1 or more vice presidents, secretary, treasurer, and such other officers, employees, and agents, as may be necessary, define their duties and compensation levels, all without regard to title 5, and require surety bonds or make other provisions against losses occasioned by acts of such persons.

(5) To provide guarantees in the manner provided under section 2279aa-6 of this title.

(6) To have succession until dissolved by a law enacted by the Congress.

(7) To prescribe bylaws, through the Board, not inconsistent with law, that shall provide for—

(A) the classes of the stock of the Corporation; and

(B) the manner in which—

(i) the stock shall be issued, transferred, and retired;

(ii) the officers, employees, and agents of the Corporation are selected;

(iii) the property of the Corporation is acquired, held, and transferred;

(iv) the commitments and other financial assistance of the Corporation are made;

(v) the general business of the Corporation is conducted; and

(vi) the privileges granted by law to the Corporation are exercised and enjoyed;

(8) To prescribe such standards as may be necessary to carry out this subchapter.

(9) To enter into contracts and make payments with respect to the contracts.

(10) To sue and be sued in its corporate capacity and to complain and defend in any action brought by or against the Corporation in any State or Federal court of competent jurisdiction.

(11) To make and perform contracts, agreements, and commitments with persons and entities both inside and outside of the Farm Credit System.

(12) To acquire, hold, lease, mortgage or dispose of, at public or private sale, real and personal property, purchase or sell any securities or obligations, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to the business of the Corporation.

(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, rep-

representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this subchapter.

(14) To establish, acquire, and maintain affiliates (as such term is defined in section 2279aa-11(e) of this title) under applicable State laws to carry out any activities that otherwise would be performed directly by the Corporation under this subchapter.

(15) To exercise such other incidental powers as are necessary to carry out the powers, duties, and functions of the Corporation in accordance with this subchapter.

(d) Federal Reserve banks as depositaries and fiscal agents

The Federal Reserve banks shall act as depositaries for, and as fiscal agents or custodians of, the Corporation.

(e) Access to book-entry system

The Corporation shall have access to the book-entry system of the Federal Reserve System.

(Pub. L. 92-181, title VIII, §8.3, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1691; amended Pub. L. 100-399, title VI, §601(c), Aug. 17, 1988, 102 Stat. 1005; Pub. L. 102-237, title V, §503(c), Dec. 13, 1991, 105 Stat. 1877; Pub. L. 102-552, title III, §308(b)(1), Oct. 28, 1992, 106 Stat. 4116; Pub. L. 104-105, title I, §§104, 105, Feb. 10, 1996, 110 Stat. 163.)

AMENDMENTS

1996—Subsec. (c)(13) to (15). Pub. L. 104-105, §104, added par. (13) and redesignated former pars. (13) and (14) as (14) and (15), respectively.

Subsec. (d). Pub. L. 104-105, §105(1), which directed the amendment of subsec. (d) by substituting “shall act as depositaries for, and” for “may act as depositaries for, or”, was executed by making the substitution for “may act as depositaries for, or” to reflect the probable intent of Congress.

Subsec. (e). Pub. L. 104-105, §105(2), substituted “Corporation shall have access to” for “Secretary of the Treasury may authorize the Corporation to use”.

1992—Subsec. (c)(13). Pub. L. 102-552 substituted “2279aa-11(e)” for “2279aa-11(g)”.

1991—Subsec. (c)(13), (14). Pub. L. 102-237 added par. (13) and redesignated former par. (13) as (14).

1988—Subsec. (c)(4). Pub. L. 100-399 substituted “such persons” for “the persons”.

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.

§ 2279aa-4. Stock issuance

(a) Voting common stock

(1) Issue

The Corporation shall issue voting common stock having such par value as may be fixed by the Board from time to time. Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors. Voting shall be by classes as described in section 2279aa-2(a)(9) of this title. The stock shall be divided into two classes with the same par value per share.

Class A stock may be held only by entities that are not Farm Credit System institutions and that are entitled to vote for directors specified in section 2279aa-2(b)(2)(A) of this title, including national banking associations (which shall be allowed to purchase and hold such stock). Class B stock may be held only by Farm Credit System institutions that are entitled to vote for directors specified in section 2279aa-2(b)(2)(B) of this title.

(2) Limitation on issue

After the date the permanent board first meets with a quorum of its members present, voting common stock of the Corporation may be issued only to originators and certified facilities.

(3) Authority of Board to establish terms and procedures

The Board shall adopt such terms, conditions, and procedures with regard to the issue of stock under this section as may be necessary, including the establishment of a maximum amount limitation on the number of shares of voting common stock that may be outstanding at any time.

(4) Transferability

Subject to such limitations as the Board may impose, any share of any class of voting common stock issued under this section shall be transferable among the institutions or entities to which shares of such class of common stock may be offered under paragraph (1), except that, as to the Corporation, such shares shall be transferable only on the books of the Corporation.

(5) Maximum number of shares

No stockholder, other than a holder of class B stock, may own, directly or indirectly, more than 33 percent of the outstanding shares of such class of the voting common stock of the Corporation.

(b) Required capital contributions

(1) In general

The Corporation may require each originator and each certified facility to make, or commit to make, such nonrefundable capital contributions to the Corporation as are reasonable and necessary to meet the administrative expenses of the Corporation.

(2) Stock issued as consideration for contribution

The Corporation, from time to time, shall issue to each originator or certified facility voting common stock evidencing any capital contributions made pursuant to this subsection.

(c) Dividends

(1) In general

Such dividends as may be declared by the Board, in the discretion of the Board, shall be paid by the Corporation to the holders of the voting common stock of the Corporation pro rata based on the total number of shares of both classes of stock outstanding.

(2) Reserves requirement

No dividend may be declared or paid by the Board under this section unless the Board de-