

**(3) Reclassification from level III to level IV**

The Director shall immediately reclassify the Corporation as within level IV if—

(A) the Corporation is classified as within level III; and

(B)(i) the Corporation does not submit a capital restoration plan that is approved by the Director; or

(ii) the Director determines that the Corporation has failed to make, in good faith, reasonable efforts necessary to comply with such a capital restoration plan and fulfill the schedule for the plan approved by the Director.

**(b) Discretionary supervisory actions**

In addition to any other actions taken by the Director (including actions under subsection (a) of this section), the Director may, at any time, take any of the following actions if the Corporation is classified as within level III:

**(1) Limitation on increase in obligations**

Limit any increase in, or order the reduction of, any obligations of the Corporation, including off-balance sheet obligations.

**(2) Limitation on growth**

Limit or prohibit the growth of the assets of the Corporation or require contraction of the assets of the Corporation.

**(3) Prohibition on dividends**

Prohibit the Corporation from making any payment of dividends.

**(4) Acquisition of new capital**

Require the Corporation to acquire new capital in any form and in any amount sufficient to provide for the reclassification of the Corporation as within level II.

**(5) Restriction of activities**

Require the Corporation to terminate, reduce, or modify any activity that the Director determines creates excessive risk to the Corporation.

**(6) Conservatorship**

Appoint a conservator for the Corporation consistent with this chapter.

**(c) Effective date**

This section shall take effect on January 1, 1992.

(Pub. L. 92-181, title VIII, §8.37, as added Pub. L. 102-237, title V, §503(b)(2), Dec. 13, 1991, 105 Stat. 1876.)

**§ 2279bb-7. Recapitalization of Corporation****(a) Mandatory recapitalization**

The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than \$25,000,000, not later than the earlier of—

(1) the date that is 2 years after February 10, 1996; or

(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed \$2,000,000,000.

**(b) Raising core capital**

In carrying out this section, the Corporation may issue stock under section 2279aa-4 of this title and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 2279aa-3 of this title.

**(c) Limitation on growth of total assets**

During the 2-year period beginning on February 10, 1996, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed \$3,000,000,000 if the core capital of the Corporation is less than \$25,000,000.

**(d) Enforcement**

If the Corporation fails to carry out subsection (a) of this section by the date required under paragraph (1) or (2) of subsection (a) of this section, the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than \$25,000,000.

(Pub. L. 92-181, title VIII, §8.38, as added Pub. L. 104-105, title I, §117, Feb. 10, 1996, 110 Stat. 168.)

PART C—RECEIVERSHIP, CONSERVATORSHIP, AND LIQUIDATION OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION

**§ 2279cc. Conservatorship; liquidation; receivership****(a) Voluntary liquidation**

The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

**(b) Involuntary liquidation****(1) In general**

The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 2183(b) of this title.

**(2) Application**

In applying section 2183(b) of this title to the Corporation under paragraph (1)—

(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

(C) a receiver may also be appointed for the Corporation if—

(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

(II) the Corporation is classified under section 2279bb-4 of this title as within level III or IV and the alternative actions available under part B are not satisfactory; and

(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.