

**§ 1428. Examination of State laws, regulations, and procedures; studies of values, etc.**

The Director shall cause to be made from time to time examinations of the laws of the various States of the United States and the regulations and procedure thereunder governing conditions under which institutions of the kinds which may become members or nonmember borrowers under this chapter are permitted to be formed or to do business, or relating to the conveying or recording of land titles, or to homestead and other rights, or to the enforcement of the rights of holders of mortgages on lands securing loans, or otherwise. If any such examination shall indicate, in the opinion of the Director, that under the laws of any such State or the regulations or procedure thereunder there would be inadequate protection to a Federal Home Loan Bank in making or collecting advances under this chapter, the Director may withhold or limit the operation of any Federal Home Loan Bank in such State until satisfactory conditions of law, regulation, or procedure shall be established. In any State where State examination of members or nonmember borrowers is deemed inadequate for the purposes of the Federal Home Loan Banks, the Director shall establish such examination, all or part of the cost of which may be considered as part of the cost of making advances in such State. The banks and/or the Director may make studies of trends of home and other property values, methods of appraisals, and other subjects such as they may deem useful for the general guidance of their policies and operations and those of institutions authorized to secure advances.

(July 22, 1932, ch. 522, § 8, 47 Stat. 731; Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412; Pub. L. 110-289, div. A, title II, § 1204(8), (9), July 30, 2008, 122 Stat. 2786.)

AMENDMENTS

2008—Pub. L. 110-289 substituted “The Director” for “The Board” and “the Director” for “the Board” wherever appearing.

1989—Pub. L. 101-73 substituted “Board” for “board” wherever appearing.

**§ 1428a. Repealed. Pub. L. 101-73, title VII, § 718, Aug. 9, 1989, 103 Stat. 422**

Section, act July 22, 1932, ch. 522, § 8a, as added May 28, 1935, ch. 150, § 4, 49 Stat. 294; amended 1947 Reorg. Plan No. 3, eff. July 27, 1947, 12 F.R. 4981, 61 Stat. 954; Dec. 26, 1974, Pub. L. 93-541, § 6, 88 Stat. 1739; Oct. 15, 1982, Pub. L. 97-320, title III, § 354, 96 Stat. 1508, established Federal Savings and Loan Advisory Council.

**§ 1429. Eligibility to secure advances**

Any member of a Federal Home Loan Bank shall be entitled to apply in writing for advances. Such application shall be in such form as shall be required by the Federal Home Loan Bank. Such Federal Home Loan Bank may at its discretion deny any such application, or may grant it on such conditions as the Federal Home Loan Bank may prescribe.

(July 22, 1932, ch. 522, § 9, 47 Stat. 731; Pub. L. 101-73, title VII, §§ 701(b)(1), (3)(A), 710(a), Aug. 9, 1989, 103 Stat. 412, 418; Pub. L. 106-102, title VI, § 606(f)(1), Nov. 12, 1999, 113 Stat. 1455.)

AMENDMENTS

1999—Pub. L. 106-102 struck out “with the approval of the Board” after “Federal Home Loan Bank” in second sentence and struck out “, subject to the approval of the Board,” after “deny any such application, or” in third sentence.

1989—Pub. L. 101-73, § 710(a), struck out “or nonmember borrower” after “Any member”.

Pub. L. 101-73, § 701(b)(1), (3)(A), substituted “Board” for “board” wherever appearing.

**§ 1430. Advances to members**

**(a) In general**

**(1) All advances**

Each Federal Home Loan Bank is authorized to make secured advances to its members upon collateral sufficient, in the judgment of the Bank, to fully secure advances obtained from the Bank under this section or section 1431(g) of this title.

**(2) Purposes of advances**

A long-term advance may only be made for the purposes of—

(A) providing funds to any member for residential housing finance; and

(B) providing funds to any community financial institution for small businesses, small farms, small agri-businesses, and community development activities.

**(3) Collateral**

A Bank, at the time of origination or renewal of a loan or advance, shall obtain and maintain a security interest in collateral eligible pursuant to one or more of the following categories:

(A) Fully disbursed, whole first mortgages on improved residential property (not more than 90 days delinquent), or securities representing a whole interest in such mortgages.

(B) Securities issued, insured, or guaranteed by the United States Government or any agency thereof (including without limitation, mortgage-backed securities issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Corporation, and the Government National Mortgage Association).

(C) Cash or deposits of a Federal Home Loan Bank.

(D) Other real estate related collateral acceptable to the Bank if such collateral has a readily ascertainable value and the Bank can perfect its interest in the collateral.

(E) Secured loans for small business, agriculture, or community development activities or securities representing a whole interest in such secured loans, in the case of any community financial institution.

**(4) Additional bank authority**

Subparagraphs (A) through (E) of paragraph (3) shall not affect the ability of any Federal Home Loan Bank to take such steps as it deems necessary to protect its security position with respect to outstanding advances, including requiring deposits of additional collateral security, whether or not such additional security would be eligible to originate an advance. If an advance existing on August 9, 1989,