

§ 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 Repealed.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,

matures and the member does not have sufficient eligible collateral to fully secure a renewal of such advance, a Bank may renew such advance secured by such collateral as the Bank determines is appropriate. A member that has an advance secured by such insufficient eligible collateral must reduce its level of outstanding advances promptly and prudently in accordance with a schedule determined by the Federal home loan bank.

(5) Review of certain collateral standards

The Director may review the collateral standards applicable to each Federal home loan bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

(6) Definitions

For purposes of this subsection, the terms “small business”, “agriculture”, “small farm”, “small agri-business”, and “community development activities” shall have the meanings given those terms by regulation of the Director.

(b) Appraisals and other investigations; acceptance of home mortgages as collateral security only by approval of Director

For the purposes of this section, each Home Loan Bank shall have power to make, or to cause or require to be made, such appraisals and other investigations as it may deem necessary. No home mortgage otherwise eligible to be accepted as collateral security for an advance by a Home Loan Bank shall be accepted if any director, officer, employee, attorney or agent of the Home Loan Bank or of the borrowing institution is personally liable thereon, unless the Director has specifically approved such acceptance.

(c) Notes of borrowing members; interest rate; lien on stock

Such advances shall be made upon the note or obligation of the member secured as provided in this section, bearing such rate of interest as the Federal home loan bank may approve or determine, and the Federal Home Loan Bank shall have a lien upon and shall hold the stock of such member as further collateral security for all indebtedness of the member to the Federal Home Loan Bank.

(d) Obligation to repay; additional security; sale of advances to other banks

The institution applying for an advance shall enter into a primary and unconditional obligation to pay off all advances, together with interest and any unpaid costs and expenses in connection therewith according to the terms under which they were made, in such form as shall meet the requirements of the bank. The bank shall reserve the right to require at any time, when deemed necessary for its protection, deposits of additional collateral security or substitutions of security by the borrowing institution, and each borrowing institution shall assign additional or substituted security when and as so required. Any Federal Home Loan Bank shall have power to sell to any other Federal Home

Loan Bank, with or without recourse, any advance made under the provisions of this chapter, or to allow to such bank a participation therein, and any other Federal Home Loan Bank shall have power to purchase such advance or to accept a participation therein, together with an appropriate assignment of security therefor.

(e) Priority of certain secured interests

Notwithstanding any other provision of law, any security interest granted to a Federal Home Loan Bank by any member of any Federal Home Loan Bank or any affiliate of any such member shall be entitled to priority over the claims and rights of any party (including any receiver, conservator, trustee, or similar party having rights of a lien creditor) other than claims and rights that—

(1) would be entitled to priority under otherwise applicable law; and

(2) are held by actual bona fide purchasers for value or by actual secured parties that are secured by actual perfected security interests.

(g)¹ Community support requirements

(1) In general

Before the end of the 2-year period beginning on August 9, 1989, the Director shall adopt regulations establishing standards of community investment or service for members of Banks to maintain continued access to long-term advances.

(2) Factors to be included

The regulations promulgated pursuant to paragraph (1) shall take into account factors such as a member's performance under the Community Reinvestment Act of 1977 [12 U.S.C. 2901 et seq.] and the member's record of lending to first-time homebuyers.

(h) Special liquidity advances

(1) In general

Subject to paragraph (2), the Federal Home Loan Banks may, upon the request of the Director of the Office of Thrift Supervision, make short-term liquidity advances to a savings association that—

(A) is solvent but presents a supervisory concern because of such association's poor financial condition; and

(B) has reasonable and demonstrable prospects of returning to a satisfactory financial condition.

(2) Interest on and security for special liquidity advances

Any loan by a Federal Home Loan Bank pursuant to paragraph (1) shall be subject to all applicable collateral requirements, including the requirements of subsection (a), and shall be at an interest rate no less favorable than those made available for similar short-term liquidity advances to savings associations that do not present such supervisory concern.

(i) Community investment program

(1) In general

Each Bank shall establish a program to provide funding for members to undertake com-

¹ So in original. No subsec. (f) has been enacted.

munity-oriented mortgage lending. Each Bank shall designate a community investment officer to implement community lending and affordable housing advance programs of the Banks under this subsection and subsection (j) and provide technical assistance and outreach to promote such programs. Advances under this program shall be priced at the cost of consolidated Federal Home Loan Bank obligations of comparable maturities, taking into account reasonable administrative costs.

(2) Community-oriented mortgage lending

For purposes of this subsection, the term “community-oriented mortgage lending” means providing loans—

(A) to finance home purchases by families whose income does not exceed 115 percent of the median income for the area,

(B) to finance purchase or rehabilitation of housing for occupancy by families whose income does not exceed 115 percent of median income for the area,

(C) to finance commercial and economic development activities that benefit low- and moderate-income families or activities that are located in low- and moderate-income neighborhoods, and

(D) to finance projects that further a combination of the purposes described in subparagraphs (A) through (C).

(j) Affordable housing program

(1) In general

Pursuant to regulations promulgated by the Director, each Bank shall establish an Affordable Housing Program to subsidize the interest rate on advances to members engaged in lending for long term, low- and moderate-income, owner-occupied and affordable rental housing at subsidized interest rates.

(2) Standards

The Board’s² regulations shall permit Bank members to use subsidized advances received from the Banks to—

(A) finance homeownership by families with incomes at or below 80 percent of the median income for the area;

(B) finance the purchase, construction, or rehabilitation of rental housing, at least 20 percent of the units of which will be occupied by and affordable for very low-income households for the remaining useful life of such housing or the mortgage term; or

(C) during the 2-year period beginning on July 30, 2008, use such percentage as the Director may by regulation establish of any subsidized advances set aside to finance homeownership under subparagraph (A) to refinance loans that are secured by a first mortgage on a primary residence of any family having an income at or below 80 percent of the median income for the area.

(3) Priorities for making advances

In using advances authorized under paragraph (1), each Bank member shall give priority to qualified projects such as the following:

(A) purchase of homes by families whose income is 80 percent or less of the median income for the area,

(B) purchase or rehabilitation of housing owned or held by the United States Government or any agency or instrumentality of the United States; and

(C) purchase or rehabilitation of housing sponsored by any nonprofit organization, any State or political subdivision of any State, any local housing authority or State housing finance agency.

(4) Report

Each member receiving advances under this program shall report annually to the Bank making such advances concerning the member’s use of advances received under this program.

(5) Contribution to program

Each Bank shall annually contribute the percentage of its annual net earnings prescribed in the following subparagraphs to support subsidized advances through the Affordable Housing Program:

(A) In 1990, 1991, 1992, and 1993, 5 percent of the preceding year’s net income, or such prorated sums as may be required to assure that the aggregate contribution of all the Banks shall not be less than \$50,000,000 for each such year.

(B) In 1994, 6 percent of the preceding year’s net income, or such prorated sum as may be required to assure that the aggregate contribution of the Banks shall not be less than \$75,000,000 for such year.

(C) In 1995, and subsequent years, 10 percent of the preceding year’s net income, or such prorated sums as may be required to assure that the aggregate contribution of the Banks shall not be less than \$100,000,000 for each such year.

(6) Grounds for suspending contributions

(A) In general

If a Bank finds that the payments required under this paragraph are contributing to the financial instability of such Bank, it may apply to the Director for a temporary suspension of such payments.

(B) Financial instability

In determining the financial instability of a Bank, the Director shall consider such factors as (i) whether the Bank’s earnings are severely depressed, (ii) whether there has been a substantial decline in membership capital, and (iii) whether there has been a substantial reduction in advances outstanding.

(C) Review

The Director shall review the application and any supporting financial data and issue a written decision approving or disapproving such application. The Board’s² decision shall be accompanied by specific findings and reasons for its action.

(D) Monitoring suspension

If the Director grants a suspension, it shall specify the period of time such suspension shall remain in effect and shall continue to monitor the Bank’s financial condition during such suspension.

²So in original. Probably should be “The Director’s”.

(E) Limitations on grounds for suspension

The Director shall not suspend payments to the Affordable Housing Program if the Bank's reduction in earnings is a result of (i) a change in the terms for advances to members which is not justified by market conditions, (ii) inordinate operating and administrative expenses, or (iii) mismanagement.

(F) Congressional notification and action

The Director shall notify the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate not less than 60 days before such suspension takes effect. Such suspension shall become effective unless a joint resolution is enacted disapproving such suspension.

(7) Failure to use amounts for affordable housing

If any Bank fails to utilize or commit the full amount provided in this subsection in any year, 90 percent of the amount that has not been utilized or committed in that year shall be deposited by the Bank in an Affordable Housing Reserve Fund administered by the Director. The 10 percent of the unutilized and uncommitted amount retained by a Bank should be fully utilized or committed by that Bank during the following year and any remaining portion must be deposited in the Affordable Housing Reserve Fund. Under regulations established by the Director, funds from the Affordable Housing Reserve Fund may be made available to any Bank to meet additional affordable housing needs in such Bank's district pursuant to this section.

(8) Net earnings

The net earnings of any Federal Home Loan Bank shall be determined for purposes of this paragraph—

(A) after reduction for any payment required under section 1441 or 1441b of this title; and

(B) before declaring any dividend under section 1436 of this title.

(9) Regulations

The Director shall promulgate regulations to implement this subsection. Such regulations shall, at a minimum—

(A) specify activities eligible to receive subsidized advances from the Banks under this program;

(B) specify priorities for the use of such advances;

(C) ensure that advances made under this program will be used only to assist projects for which adequate long-term monitoring is available to guarantee that affordability standards and other requirements of this subsection are satisfied;

(D) ensure that a preponderance of assistance provided under this subsection is ultimately received by low- and moderate-income households;

(E) ensure that subsidies provided by Banks to member institutions under this program are passed on to the ultimate borrower;

(F) establish uniform standards for subsidized advances under this program and subsidized lending by member institutions supported by such advances, including maximum subsidy and risk limitations for different categories of loans made under this subsection; and

(G) coordinate activities under this subsection with other Federal or federally-subsidized affordable housing activities to the maximum extent possible.

(10) Other programs

No provision of this subsection or subsection (i) shall preclude any Bank from establishing additional community investment cash advance programs or contributing additional sums to the Affordable Housing Reserve Fund.

(11) Advisory Council

Each Bank shall appoint an Advisory Council of 7 to 15 persons drawn from community and nonprofit organizations actively involved in providing or promoting low- and moderate-income housing in its district. The Advisory Council shall meet with representatives of the board of directors of the Bank quarterly to advise the Bank on low- and moderate-income housing programs and needs in the district and on the utilization of the advances for these purposes. Each Advisory Council established under this paragraph shall submit to the Director at least annually its analysis of the low-income housing activity of the Bank by which it is appointed.

(12) Reports to Congress

(A) The Director shall monitor and report annually to the Congress and the Advisory Council for each Bank the support of low-income housing and community development by the Banks and the utilization of advances for these purposes.

(B) The analyses submitted by the Advisory Councils to the Director under paragraph (11) shall be included as part of the report required by this paragraph.

(C) REPORTS.—The Director shall annually report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the collateral pledged to the Banks, including an analysis of collateral by type and by Bank district.

(D) SUBMISSION TO CONGRESS.—The Director shall submit the reports under subparagraphs (A) and (C) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 180 days after July 30, 2008.

(13) Definitions

For purposes of this subsection—

(A) Low- or moderate-income household

The term “low- or moderate-income household” means any household which has an income of 80 percent or less of the area median.

(B) Very low-income household

The term “very low-income household” means any household that has an income of 50 percent or less of the area median.

(C) Low- or moderate-income neighborhood

The term “low- or moderate-income neighborhood” means any neighborhood in which 51 percent or more of the households are low- or moderate-income households.

(D) Affordable for very-low income households

For purposes of paragraph (2)(B) the term “affordable for very-low income households” means that rents charged to tenants for units made available for occupancy by low-income families shall not exceed 30 percent of the adjusted income of a family whose income equals 50 percent of the income for the area (as determined by the Secretary of Housing and Urban Development) with adjustment for family size.

(k) Public use database**(1) Data**

Each Federal Home Loan Bank shall provide to the Director, in a form determined by the Director, census tract level data relating to mortgages purchased, if any, including—

(A) data consistent with that reported under section 4543 of this title;

(B) data elements required to be reported under the Home Mortgage Disclosure Act of 1975 [12 U.S.C. 2801 et seq.]; and

(C) any other data elements that the Director considers appropriate.

(2) Public use database**(A) In general**

The Director shall make available to the public, in a form that is useful to the public (including forms accessible electronically), and to the extent practicable, the data provided to the Director under paragraph (1).

(B) Proprietary information

Notwithstanding subparagraph (A), the Director may not provide public access to, or disclose to the public, any information required to be submitted under this subsection that the Director determines is proprietary or that would provide personally identifiable information and that is not otherwise publicly accessible through other forms, unless the Director determines that it is in the public interest to provide such information.

(July 22, 1932, ch. 522, §10, 47 Stat. 731; Apr. 27, 1934, ch. 168, §10, 48 Stat. 646; June 27, 1934, ch. 847, §501, 48 Stat. 1261; May 28, 1935, ch. 150, §§5, 6, 49 Stat. 294, 295; Mar. 28, 1941, ch. 31, §7, 55 Stat. 62; Aug. 1, 1947, ch. 431, 61 Stat. 714; Apr. 20, 1950, ch. 94, title V, §501, 64 Stat. 80; Sept. 1, 1951, ch. 378, title II, §208, 65 Stat. 303; Aug. 2, 1954, ch. 649, title V, §502, 68 Stat. 634; Pub. L. 85-857, §13(e), Sept. 2, 1958, 72 Stat. 1264; Pub. L. 87-779, §2(b), Oct. 9, 1962, 76 Stat. 779; Pub. L. 88-560, title IX, §906, Sept. 2, 1964, 78 Stat. 805; Pub. L. 93-449, §4(c), Oct. 18, 1974, 88 Stat. 1367; Pub. L. 95-128, title IV, §406, Oct. 12, 1977, 91 Stat. 1137; Pub. L. 97-320, title III, §352, Oct. 15, 1982, 96 Stat. 1507; Pub. L. 97-457, §15, Jan. 12, 1983, 96 Stat. 2509; Pub. L. 100-86, title I, §105, title III, §306(d), Aug. 10, 1987, 101 Stat. 575, 601; Pub. L. 101-73, title VII, §§701(b)(1), (3)(A), 710(b)(4), (5), (c), 714, 721, Aug. 9, 1989, 103 Stat. 412, 418, 419,

423; Pub. L. 102-550, title XIII, §1392(a), Oct. 28, 1992, 106 Stat. 4009; Pub. L. 106-102, title VI, §§604(a)-(c), 606(f)(2), Nov. 12, 1999, 113 Stat. 1451, 1452, 1455; Pub. L. 110-289, div. A, title II, §§1204(5), (8)-(10), (12), 1211(b), 1212, 1218, July 30, 2008, 122 Stat. 2786, 2790, 2793.)

REFERENCES IN TEXT

The Community Reinvestment Act of 1977, referred to in subsec. (g)(2), is title VIII of Pub. L. 95-128, Oct. 12, 1977, 91 Stat. 1147, as amended, which is classified generally to chapter 30 (§2901 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2901 of this title and Tables.

The Home Mortgage Disclosure Act of 1975, referred to in subsec. (k)(1)(B), is title III of Pub. L. 94-200, Dec. 31, 1975, 89 Stat. 1125, which is classified generally to chapter 29 (§2801 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2801 of this title and Tables.

AMENDMENTS

2008—Subsec. (a)(2)(B). Pub. L. 110-289, §1211(b)(1), struck out “and” before “small agri-businesses” and inserted “, and community development activities” before period at end.

Subsec. (a)(3)(E). Pub. L. 110-289, §1211(b)(2), inserted “or community development activities” after “agriculture.”

Subsec. (a)(5). Pub. L. 110-289, §1204(9), substituted “The Director” for “The Board”.

Subsec. (a)(6). Pub. L. 110-289, §1211(b)(3), struck out “and” before “small agri-business” and inserted “, and community development activities” before “shall”.

Pub. L. 110-289, §1204(10), substituted “the Director” for “the Finance Board”.

Subsec. (b). Pub. L. 110-289, §1204(5), (8), substituted “approval of Director” for “formal Board resolution” in heading and substituted “the Director” for “the Board” and struck out “by formal resolution” before “such acceptance” in text.

Subsecs. (g)(1), (j)(1). Pub. L. 110-289, §1204(8), substituted “the Director” for “the Board”.

Subsec. (j)(2)(C). Pub. L. 110-289, §1218, added subpar. (C).

Subsec. (j)(6)(A), (B). Pub. L. 110-289, §1204(12), substituted “Director” for “Federal Housing Finance Board”.

Subsec. (j)(6)(C). Pub. L. 110-289, §1204(9), substituted “The Director” for “The Board”.

Subsec. (j)(6)(D). Pub. L. 110-289, §1204(8), substituted “the Director” for “the Board”.

Subsec. (j)(6)(E). Pub. L. 110-289, §1204(9), substituted “The Director” for “The Board”.

Subsec. (j)(6)(F). Pub. L. 110-289, §1204(12), substituted “Director” for “Federal Housing Finance Board”.

Subsec. (j)(7). Pub. L. 110-289, §1204(8), substituted “the Director” for “the Board” in two places.

Subsec. (j)(9). Pub. L. 110-289, §1204(12), substituted “Director” for “Federal Housing Finance Board” in introductory provisions.

Subsec. (j)(11) to (12)(B). Pub. L. 110-289, §1204(8), (9), substituted “the Director” for “the Board” and “The Director” for “The Board” wherever appearing.

Subsec. (j)(12)(C), (D). Pub. L. 110-289, §1212(1), added subpars. (C) and (D) and struck out former subpar. (C) which read as follows: “The Comptroller General of the United States shall audit and evaluate the Affordable Housing Program established by this subsection after such program has been operating for 2 years. The Comptroller General shall report to Congress on the conclusions of the audit and recommend improvements or modifications to the program.”

Subsec. (k). Pub. L. 110-289, §1212(2), added subsec. (k).

1999—Pub. L. 106-102, §604(b), amended section catchline generally.

Subsec. (a). Pub. L. 106-102, § 604(a), inserted heading, designated first sentence of introductory provisions as par. (1) and inserted heading, substituted par. (2) for former second sentence of introductory provisions which read as follows: "All long-term advances shall only be made for the purpose of providing funds for residential housing finance.", designated third sentence of introductory provisions as par. (3), inserted heading, redesignated former pars. (1) to (4) as subpars. (A) to (D), respectively, of par. (3) and realigned margins, in subpar. (C), substituted "Cash or deposits" for "Deposits", in subpar. (D), struck out at end "The aggregate amount of outstanding advances secured by such other real estate related collateral shall not exceed 30 percent of such member's capital.", and added subpar. (E), redesignated former par. (5) as (4), inserted heading, substituted "Subparagraphs (A) through (E) of paragraph (3)" for "Paragraphs (1) through (4)", struck out "and the Board" after "such collateral as the Bank" and substituted "determined by the Federal home loan bank" for "determined by the Board", and added pars. (5) and (6).

Subsec. (c). Pub. L. 106-102, § 606(f)(2)(A), substituted "Federal home loan bank" for "Board" before "may approve or determine" and struck out at end "At no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed twenty times the amounts paid in by such member for outstanding capital stock held by it exceed twenty times the value of the security required to be deposited under subsection (e) of section 1426 of this title."

Subsec. (d). Pub. L. 106-102, § 606(f)(2)(B), struck out "and the approval of the Board" after "requirements of the bank" in first sentence and substituted "Any" for "Subject to the approval of the Board, any" in third sentence.

Subsec. (e). Pub. L. 106-102, § 604(c), struck out subsec. (e) relating to qualified thrift lender status.

1992—Subsec. (e)(2). Pub. L. 102-550 added sentence at end and struck out former second sentence which read as follows: "The aggregate amount of any Bank's advances to members that are not qualified thrift lenders shall not exceed 30 percent of a Bank's total advances."

1989—Subsec. (a). Pub. L. 101-73, § 714(a), substituted "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. All long-term advances shall only be made for the purpose of providing funds for residential housing finance. 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:" and pars. (1) to (5) for "upon such security as the Board may prescribe."

Subsec. (b). Pub. L. 101-73, § 701(b)(1), (3)(A), substituted "Board" for "board".

Subsec. (c). Pub. L. 101-73, § 710(b)(4), (5), struck out "or nonmember borrower" after "obligation of the member", and "or made to a nonmember borrower" after "stock held by it".

Pub. L. 101-73, § 701(b)(1), (3)(A), substituted "Board" for "board".

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

Subsec. (e). Pub. L. 101-73, § 714(b), which directed the general amendment of subsec. (e), was executed to the subsec. (e) added by section 105 of Pub. L. 100-86, as the probable intent of Congress. As thus executed, the amendment substituted provisions relating to qualified thrift lender status for provisions relating to reduced eligibility for advances for certain members which were not qualified thrift lenders.

Subsec. (g). Pub. L. 101-73, § 710(c), added subsec. (g).

Subsec. (h). Pub. L. 101-73, § 714(c), added subsec. (h).

Subsecs. (i), (j). Pub. L. 101-73, § 721, added subsecs. (i) and (j).

1987—Subsec. (e). Pub. L. 100-86, § 306(d), added subsec. (e) relating to priority of certain secured interests.

Pub. L. 100-86, § 105, added subsec. (e) relating to reduced eligibility for advances for certain members which are not qualified thrift lenders.

1982—Subsec. (a). Pub. L. 97-320, § 352(1), as amended by Pub. L. 97-457, amended subsec. (a) generally. Prior to amendment subsec. (a) read as follows: "Each Federal Home Loan Bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"(1) If secured by a mortgage insured under the provisions of title I, title II, title VI, title VIII, or title IX of the National Housing Act [12 U.S.C. 1702 et seq., 1707 et seq., 1736 et seq., 1748 et seq., and 1750 et seq., respectively], the advance may be for an amount not in excess of 90 per centum of the unpaid principal of the mortgage loan.

"(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

"(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

"(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations."

Subsec. (b). Pub. L. 97-320, § 352(2), struck out provisions relating to acceptance of home mortgages as collateral security for advances by a Home Loan Bank.

Subsec. (c). Pub. L. 97-320, § 352(3), substituted "twenty" for "twelve" wherever appearing.

1977—Subsec. (b). Pub. L. 95-128 substituted prohibition against acceptance of a home mortgage as collateral security for an advance by a Federal Home Loan Bank if, at the time the advance is made, the home mortgage exceeds a sum equal to the dollar limitation under the first proviso of the first sentence of section 1464(c) of this title for each home or other dwelling unit covered by such mortgage for prior prohibition where the home mortgage exceeded a sum equal to \$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation, might, by regulation of the Board, be increased by not to exceed 50 per centum) for each home or other dwelling unit covered by the mortgage.

1974—Subsec. (b). Pub. L. 93-449 substituted provisions limiting the home mortgage to a sum not to exceed \$55,000, except with respect to dwellings in Alaska, Guam, etc., for provisions limiting the home mortgage to a sum not to exceed \$40,000.

1964—Subsec. (b). Pub. L. 88-560 substituted "thirty" for "twenty-five" in cl. (1) and "\$40,000" for "\$35,000" in cl. (2).

1962—Subsec. (b). Pub. L. 87-779 substituted "exceeds a sum equal to \$35,000 for each home or other dwelling unit covered by such mortgage" for "exceeds \$35,000".

1958—Subsec. (b). Pub. L. 85-857 inserted "chapter 37 of title 38," after "Servicemen's Readjustment Act of 1944, as amended."

1954—Subsec. (b)(2). Act Aug. 2, 1954, substituted "\$35,000" for "\$20,000".

1951—Subsec. (a)(1). Act Sept. 1, 1951, inserted a reference to subchapter X of chapter 13 of this title.

1950—Subsec. (a) (1). Act Apr. 20, 1950, § 501(1), substituted "subchapters I, II, VI, and VIII of chapter 13 of this title" for "sections 1707-1715b and 1736-1742 of this title".

Subsec. (b). Act Apr. 20, 1950, § 501(2), inserted "unless such home mortgage is insured under the National

Housing Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended" after "Maturity" in first sentence.

1947—Subsec. (b). Act Aug. 1, 1947, increased period collateral security can run from twenty years to twenty-five years.

1941—Subsec. (a)(1). Act Mar. 28, 1941, inserted reference to sections 1736-1742 of this title.

1935—Subsec. (a). Act May 28, 1935, § 5, added cl. (4).

Subsec. (b)(1). Act May 28, 1935, § 6, substituted "twenty" for "fifteen" and omitted reference to value of real estate in cl. 2.

1934—Subsec. (a). Act June 27, 1934, amended subsec. (a) generally.

Subsec. (b). Act Apr. 27, 1934, inserted "unless the amount," etc. to end of first sentence.

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-857 effective Jan. 1, 1959, see section 2 of Pub. L. 85-857, set out as an Effective Date note preceding Part 1 of Title 38, Veterans' Benefits.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (j)(12)(A) of this section relating to requirement to report annually to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 170 of House Document No. 103-7.

AUTHORIZATION OF APPROPRIATIONS FOR DISBURSEMENT TO FEDERAL HOME LOAN BANKS FOR ADJUSTMENT OF INTEREST CHARGES

Pub. L. 91-351, title I, § 101, July 24, 1970, 84 Stat. 450, provided that:

"(a) There is authorized to be appropriated not to exceed \$250,000,000, without fiscal year limitation, to be used by the Federal Home Loan Bank Board for disbursement to Federal home loan banks for the purpose of adjusting the effective interest charged by such banks on short-term and long-term borrowing to promote an orderly flow of funds into residential construction. The disbursement of sums appropriated hereunder shall be made under such terms and conditions as may be prescribed by the Board to assure that such sums are used to assist in the provision of housing for low- and middle-income families, and that such families share fully in the benefits resulting from the disbursement of such sums. No member of a Federal home loan bank shall use funds the interest charges on which have been adjusted pursuant to the provisions of this section to make any loan, if—

"(1) the effective rate of interest on such loan exceeds the effective rate of interest on such funds payable by such member by a percentile amount which is in excess of such amount as the Board determines to be appropriate in furtherance of the purposes of this section; or

"(2) the principal obligation of any such loan which is secured by a mortgage on a residential structure exceeds the dollar limitations on the maximum mortgage amount, in effect on the date the mortgage was originated, which would be applicable if the mortgage

was insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act [section 1709(b) or 1713 of this title].

"(b) Not more than 20 per centum of the sums appropriated pursuant to subsection (a) shall be disbursed in any one Federal home loan bank district."

§ 1430a. Omitted

CODIFICATION

Section, act July 22, 1932, ch. 522, § 10a, as added June 27, 1934, ch. 847, § 502, 48 Stat. 1261, provided for advances by Federal Home Loan Banks to finance home repairs, improvements, and alterations until July 1, 1936.

§ 1430b. Advances to nonmember mortgagee; terms and conditions

(a) In general

Each Federal Home Loan Bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act [12 U.S.C. 1707 et seq.]. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this chapter, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Director, but no advance may be for an amount in excess of 90 per centum of the unpaid principal of the mortgage loan given as security.

(b) Exception

An advance made to a State housing finance agency for the purpose of facilitating mortgage lending that benefits individuals and families that meet the income requirements set forth in section 142(d) or 143(f) of title 26, need not be collateralized by a mortgage insured under title II of the National Housing Act [12 U.S.C. 1707 et seq.] or otherwise, if—

(1) such advance otherwise meets the requirements of this subsection; and

(2) such advance meets the requirements of section 1430(a) of this title, and any real estate collateral for such loan comprises single family or multifamily residential mortgages.

(July 22, 1932, ch. 522, § 10b, as added May 25, 1935, ch. 150, § 7, 49 Stat. 295; amended Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412; Pub. L. 102-550, title XIII, § 1392(b), Oct. 28, 1992, 106 Stat. 4009; Pub. L. 110-289, div. A, title II, § 1204(8), July 30, 2008, 122 Stat. 2786.)

REFERENCES IN TEXT

The National Housing Act, referred to in text, is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Title II of the Act is classified generally to subchapter II (§ 1707 et seq.) of chapter 13 of this title. For complete classification of this Act to the Code, see section 1701 of this title and Tables.

AMENDMENTS

2008—Subsec. (a). Pub. L. 110-289 substituted "the Director" for "the Board".