

“(B) provide for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this subchapter, including through the use of the enforcement powers of the Farm Credit Administration under part C of subchapter V of this chapter.” Subsec. (a)(3). Pub. L. 102-237, §503(a)(2), added par. (3).

Subsec. (f). Pub. L. 102-237, §503(a)(3), added subsec. (f).

1990—Subsec. (a)(1). Pub. L. 101-624, §1840(1), amended par. (1) generally. Prior to amendment, par. (1) read as follows: “Notwithstanding any other provision of this chapter, the regulatory authority of the Farm Credit Administration with respect to the Corporation shall be confined to—

“(A) providing for the examination of the condition of the Corporation; and

“(B) providing for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation by this subchapter, including through the use of the enforcement powers of the Farm Credit Administration under part C of subchapter V of this chapter.”

Subsec. (e). Pub. L. 101-624, §1840(2), added subsec. (e).

## § 2279aa-12. Securities in credit enhanced pools

### (a) Federal laws

#### (1) Applicability of certain Federal securities laws

For purposes of section 77c(a)(2) of title 15, no security representing an interest in, or obligations backed by, a pool of qualified loans for which guarantees have been provided by the Corporation shall be deemed to be a security issued or guaranteed by a person controlled or supervised by, or acting as an instrumentality of, the Government of the United States. No such security shall be deemed to be a “government security” for purposes of the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.] or for purposes of the Investment Company Act of 1940 [15 U.S.C. 80a-1 et seq.].

#### (2) No full faith and credit of the United States

Each security for which credit enhancement has been provided by the Corporation shall clearly indicate that the security is not an obligation of, and is not guaranteed as to principal or interest by, the Farm Credit Administration, the United States, or any other agency or instrumentality of the United States (other than the Corporation).

### (b) State securities laws

#### (1) General exemption

Any security or obligation that has been provided a guarantee by the Corporation shall be exempt from any law of any State with respect to or requiring registration or qualification of securities or real estate to the same extent as any obligation issued by, or guaranteed as to principal and interest by, the United States or any agency or instrumentality of the United States.

#### (2) State override

The provisions of paragraph (1) shall not be applicable to any State that, during the 8-year period beginning on January 6, 1988, enacts a law that—

(A) specifically refers to this subsection; and

(B) expressly provides that paragraph (1) shall not apply to the State.

### (c) Authorized investments

#### (1) In general

Securities representing an interest in, or obligations backed by, pools of qualified loans with respect to which the Corporation has provided a guarantee shall be authorized investments of any person, trust, corporation, partnership, association, business trust, or business entity created pursuant to or existing under the laws of the United States or any State to the same extent that the person, trust, corporation, partnership, association, business trust, or business entity is authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality of the United States. Such securities or obligations may be accepted as security for all fiduciary, trust, and public funds, the investment or deposits of which shall be under the authority and control of the United States or any State or any officers of either.

#### (2) State limitations on purchase, holding, or investment

If State law limits the purchase, holding, or investment in obligations issued by the United States by the person, trust, corporation, partnership, association, business trust, or business entity, securities or obligations of a certified facility issued on which the Corporation has provided a guarantee shall be considered to be obligations issued by the United States for purposes of the limitation.

#### (3) Nonapplicability of provisions

##### (A) Subsequent State law

Paragraphs (1) and (2) shall not apply with respect to a particular person, trust, corporation, partnership, association, business trust, or business entity, or class thereof, in any State that, prior to the expiration of the 8-year period beginning on January 6, 1988, enacts a law that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in the securities by any person, trust, corporation, partnership, association, business trust, or business entity, or class thereof, than is provided in paragraphs (1) and (2).

##### (B) Effect of subsequent State law

The enactment by any State of a law of the type described in subparagraph (A) shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior to the effective date of the law and shall not require the sale or other disposition of any securities acquired prior to the effective date of the law.

#### (d) State usury laws superseded

A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this subchapter for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has pro-

vided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.

(Pub. L. 92-181, title VIII, § 8.12, as added Pub. L. 100-233, title VII, § 702, Jan. 6, 1988, 101 Stat. 1703; amended Pub. L. 100-399, title VI, § 601(k), (l), Aug. 17, 1988, 102 Stat. 1006; Pub. L. 104-105, title I, § 112, Feb. 10, 1996, 110 Stat. 165.)

#### REFERENCES IN TEXT

The Securities Exchange Act of 1934, referred to in subsec. (a)(1), is act June 6, 1934, ch. 404, 48 Stat. 881, as amended, which is classified principally to chapter 2B (§ 78a et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 78a of Title 15 and Tables.

The Investment Company Act of 1940, referred to in subsec. (a)(1), is title I of act Aug. 22, 1940, ch. 686, 54 Stat. 789, as amended, which is classified generally to subchapter I (§ 80a-1 et seq.) of chapter 2D of Title 15. For complete classification of this Act to the Code, see section 80a-51 of Title 15 and Tables.

#### AMENDMENTS

1996—Subsec. (d). Pub. L. 104-105 added subsec. (d) and struck out heading and text of former subsec. (d). Text read as follows: “Any provision of the constitution or law of any State which expressly limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by agricultural lenders or certified facilities shall not apply to any agricultural loan made by an originator or a certified facility in accordance with this subchapter that is included in a pool for which the Corporation has provided a guarantee.”

1988—Subsec. (a)(1). Pub. L. 100-399, § 601(k), inserted “, or obligations backed by,” before “a pool”.

Subsec. (b)(2). Pub. L. 100-399, § 601(l), substituted “date of the enactment” for “effective date” both of which for purposes of codification was 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-13. Authority to issue obligations to cover guarantee losses of Corporation

#### (a) Sale of obligations to Treasury

##### (1) In general

Subject to the limitations contained in section 2279aa-10(c) of this title and the requirement of paragraph (2), the Corporation may issue obligations to the Secretary of the

Treasury the proceeds of which may be used by the Corporation solely for the purpose of fulfilling the obligations of the Corporation under any guarantee provided by the Corporation under this subchapter.

#### (2) Certification

The Secretary of the Treasury may purchase obligations of the Corporation under paragraph (1) only if the Corporation certifies to the Secretary that—

(A) the requirements of section 2279aa-10(c) of this title have been fulfilled; and

(B) the proceeds of the sale of such obligations are needed to fulfill the obligations of the Corporation under any guarantee provided by the Corporation under this subchapter.

#### (b) Expeditious transaction required

Not later than 10 business days after receipt by the Secretary of the Treasury of any certification by the Corporation under subsection (a)(2) of this section, the Secretary of the Treasury shall purchase obligations issued by the Corporation in an amount determined by the Corporation to be sufficient to meet the guarantee liabilities of the Corporation.

#### (c) Limitation on amount of outstanding obligations

The aggregate amount of obligations issued by the Corporation under subsection (a)(1) of this section which may be held by the Secretary of the Treasury at any time (as determined by the Secretary) shall not exceed \$1,500,000,000.

#### (d) Terms of obligation

##### (1) Interest

Each obligation purchased by the Secretary of the Treasury shall bear interest at a rate determined by the Secretary, taking into consideration the average rate on outstanding marketable obligations of the United States as of the last day of the last calendar month ending before the date of the purchase of such obligation.

##### (2) Redemption

The Secretary of the Treasury shall require that such obligations be repurchased by the Corporation within a reasonable time.

#### (e) Coordination with title 31

##### (1) Authority to use proceeds from sale of Treasury securities

For the purpose of purchasing obligations of the Corporation, the Secretary of the Treasury may use as a public debt transaction the proceeds from the sale by the Secretary of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include such purchases.

##### (2) Treatment of transactions

All purchases and sales by the Secretary of the Treasury of obligations issued by the Corporation under this section shall be treated as public debt transactions of the United States.

#### (f) Authorization of appropriations

There is authorized to be appropriated to the Secretary of the Treasury \$1,500,000,000, without