## § 2281. Congressional findings and declaration of purpose

The Congress finds that demands for funds through Federal and federally assisted borrowing programs are increasing faster than the total supply of credit and that such borrowings are not adequately coordinated with overall Federal fiscal and debt management policies. The purpose of this chapter is to assure coordination of these programs with the overall economic and fiscal policies of the Government, to reduce the cost of Federal and federally assisted borrowings from the public, and to assure that such borrowings are financed in a manner least disruptive of private financial markets and institutions.

(Pub. L. 93–224, § 2, Dec. 29, 1973, 87 Stat. 937.)

#### Effective Date

Pub. L. 93–224, § 20, Dec. 29, 1973, 87 Stat. 942, provided that: ''This Act [enacting this chapter and amending section 24 of this title] becomes effective upon the date of its enactment [Dec. 29, 1973], except that section 7 [section 2286 of this title] becomes effective upon the expiration of thirty days after such date [Dec. 29, 1973].''

#### Short Title

Pub. L. 93–224, § 1, Dec. 29, 1973, 87 Stat. 937, provided: ''That this Act [enacting this chapter and amending section 24 of this title] may be cited as the 'Federal Financing Bank Act of 1973'.''

#### Separability

Pub. L. 93–224, § 19, Dec. 29, 1973, 87 Stat. 942, provided that: ''If any provision of this Act [enacting this chapter and amending section 24 of this title], or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act [this chapter], and the application of such provisions to other persons or circumstances, shall not be affected.''

#### Executive Order No. 11782

Ex. Ord. No. 11782, May 6, 1974, 39 F.R. 15991, which established the Federal Financing Bank Advisory Council and provided for its membership, functions, etc., was revoked by Ex. Ord. No. 12379, § 15, Aug. 17, 1982, 47 F.R. 36099, formerly set out as a note under section 14 of the Federal Advisory Committee Act in the Appendix to Title 5, Government Organization and Employees.

#### Termination of Advisory Councils

Advisory councils established after Jan. 5, 1973, to terminate not later than the expiration of the 2-year period beginning on the date of their establishment, unless, in the case of a council established by the President or an officer of the Federal Government, such council is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a council established by the Congress, its duration is otherwise provided for by law. See sections 3(2) and 14 of Pub. L. 92–463, Oct. 6, 1972, 86 Stat. 770, 776, set out in the Appendix to Title 5, Government Organization and Employees.

## § 2282. Definitions

For the purposes of this chapter—

(1) The term ''Federal agency'' means an executive department, an independent Federal establishment, or a corporation or other entity established by the Congress which is owned in whole or in part by the United States.

(2) The term ''obligation'' means any note, bond, debenture, or other evidence of indebtedness, but does not include Federal Reserve notes or stock evidencing an ownership interest in the issuing Federal agency.

(3) The term ''guarantee'' means any guarantee, insurance, or other pledge with respect to the payment of all or part of the principal or interest on any obligation, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions, or any guarantee or pledge arising out of a statutory obligation to insure such deposits, shares, or other withdrawable accounts.

(4) The term ''Bank'' means the Federal Financing Bank established by section 2283 of this title.

(Pub. L. 93–224, § 3, Dec. 29, 1973, 87 Stat. 937.)

## § 2283. Creation of Federal Financing Bank

There is hereby created a body corporate to be known as the Federal Financing Bank, which shall have succession until dissolved by an Act of Congress. The Bank shall be subject to the general supervision and direction of the Secretary of the Treasury. The Bank shall be an instrumentality of the United States Government and shall maintain such offices as may be necessary or appropriate in the conduct of its business.

(Pub. L. 93–224, § 4, Dec. 29, 1973, 87 Stat. 937.)

## § 2284. Board of Directors

(a) The Bank shall have a Board of Directors consisting of five persons, one of whom shall be the Secretary of the Treasury as Chairman of the Board, and four of whom shall be appointed by the President from among the officers or employees of the Bank or of any Federal agency. The Chairman and each other member of the Board may designate some other officer or employee of the Government to serve in his place.

(b) The Board of Directors shall meet at the call of its Chairman. The Board shall determine the general policies which shall govern the operations of the Bank. The Chairman of the Board shall select and effect the appointment of qualified persons to fill such offices as may be provided for in the bylaws, and such persons shall be the executive officers of the Bank and shall discharge such executive functions, powers, and duties as may be provided for in the bylaws or by the Board of Directors. The members of the

Board and their designees shall not receive compensation for their services on the Board.

(Pub. L. 93–224, § 5, Dec. 29, 1973, 87 Stat. 937.)

### § 2285. Functions

#### (a) Purchase and sale of obligations issued, sold, or guaranteed by Federal agencies

The Bank is authorized to make commitments to purchase and sell, and to purchase and sell on terms and conditions determined by the Bank, any obligation which is issued, sold, or guaranteed by a Federal agency. Any Federal agency which is authorized to issue, sell, or guarantee any obligation is authorized to issue or sell such obligations directly to the Bank.

#### (b) Yield

Any purchase by the Bank shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration (1) the current average yield on outstanding marketable obligations of the United States of comparable maturity, or (2) whenever the Bank's own obligations outstanding are sufficient, the current average yield on outstanding obligations of the Bank of comparable maturity.

#### (c) Fees

The Bank is authorized to charge fees for its commitments and other services adequate to cover all expenses and to provide for the accumulation of reasonable contingency reserves.

(Pub. L. 93–224, § 6, Dec. 29, 1973, 87 Stat. 938.)

### § 2285a. Acquisition of obligations involving loan guarantees for New York City

Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire any obligation the payment of interest or principal of which has at any time been guaranteed in whole or in part under title I of the New York City Loan Guarantee Act of 1978.

(Pub. L. 95–339, title II, § 201(b), Aug. 8, 1978, 92 Stat. 467.)

References in Text

Title I of the New York City Loan Guarantee Act of 1978, referred to in text, is title I of Pub. L. 95–339, Aug. 8, 1978, 92 Stat. 460, as amended, which was classified generally to subchapter II (§ 1521 et seq.) of chapter 27 of former Title 31, and was omitted from the Code in the general revision and reenactment of Title 31, Money and Finance, by Pub. L. 97–258, Sept. 13, 1982, 96 Stat. 877.

Codification

Section was enacted as part of the New York City Loan Guarantee Act of 1978, and not as part of the Federal Financing Bank Act of 1973 which comprises this chapter.

### § 2286. Approval of financing plans by Secretary of the Treasury

#### (a) Method, source, timing, terms, and conditions of sale of obligations issued or sold by Federal agencies

To insure the orderly and coordinated marketing of Treasury and Federal agency obligations and appropriate financing planning with respect thereto, and to facilitate the effective financing of programs authorized by law subject to the applicable provisions of such law, the prior approval of the Secretary of the Treasury shall be required with respect to—

(1) the method of financing,

(2) the source of financing,

(3) the timing of financing in relation to market conditions and financing by other Federal agencies, and

(4) the financing terms and conditions, including rates of interest and maturities,

of obligations issued or sold by any Federal agency; except that the approval of the Secretary of the Treasury shall not be required with respect to (A) obligations issued or sold pursuant to an Act of Congress which expressly prohibits any guarantee of such obligations by the United States, and (B) obligations issued or sold by the Farmers Home Administration.

#### (b) Grant or denial of approval by Secretary

Upon receipt of a request from a Federal agency for his approval under subsection (a) of this section, the Secretary of the Treasury shall act promptly either to grant his approval or to advise the agency of the reasons for withholding his approval. In no case shall the Secretary of the Treasury withhold such approval for a period longer than sixty days unless, prior to the end of such period, he submits to the Congress a detailed explanation of his reasons for so doing. In no case shall the Secretary withhold such approval for a period longer than one hundred and twenty days. To the maximum extent practicable, withholdings of approval shall be made in a manner which is not disproportionately detrimental to the functioning of any particular type of Federal program. Expedited treatment shall be accorded in any case in which the Federal agency advises the Secretary of the Treasury that unusual circumstances require such treatment.

#### (c) Time and form for submission of financing plans

Federal agencies subject to this section shall submit financing plans to the Secretary of the Treasury at such times and in such forms as he shall prescribe.

(Pub. L. 93–224, § 7, Dec. 29, 1973, 87 Stat. 938.)

Effective Date

Section effective on expiration of 30 days after Dec. 29, 1973, see section 20 of Pub. L. 93–224, set out as a note under section 2281 of this title.

### § 2287. Initial capital

The Secretary of the Treasury is authorized to advance the funds necessary to provide initial capital to the Bank. Each such advance shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. Interest payments on such advances may be deferred, at the discretion of the Secretary, but any such deferred payments shall themselves bear interest at the rate specified in this section. There is au-