

Subsec. (d). Act Aug. 7, 1956, §204(b), struck out provisions prohibiting Association from making advance contracts or commitments to purchase mortgages but allowed Association to issue a purchase contract in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder to sell to the Association mortgages in the amount of the contract, upon terms prescribed by the Association.

1954—Act Aug. 2, 1954, amended section generally to substitute new provisions (formerly covered in sections 1716 and 1717 of this title) for provisions which related to exemption from taxation. See section 1723a(c) of this title.

1948—Act July 1, 1948, amended section generally to provide for exemption from taxation for the Association.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as an Effective Date note under section 5301 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

For effective date of amendment by title VIII of Pub. L. 90-448, see section 808 of Pub. L. 90-448, set out as an Effective Date note under section 1716b of this title.

§ 1720. Repealed. Pub. L. 98-181, title I [title IV, § 483(a)], Nov. 30, 1983, 97 Stat. 1240

Section, acts June 27, 1934, ch. 847, title III, §305, 48 Stat. 1254; July 1, 1948, ch. 784, §1, 62 Stat. 1206; Apr. 20, 1950, ch. 94, title I, §118, 64 Stat. 57; Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 616; Aug. 11, 1955, ch. 783, title I, §103, title IV, §402, 69 Stat. 636, 651; Aug. 7, 1956, ch. 1029, title II, §§205-208, 70 Stat. 1096; Pub. L. 85-10, §2, Mar. 27, 1957, 71 Stat. 8; Pub. L. 85-104, title II, §§204-207, July 12, 1957, 71 Stat. 298; Pub. L. 85-364, §§2, 3(a), 4, Apr. 1, 1958, 72 Stat. 73, 74; Pub. L. 86-372, title III, §§303(a), 304, Sept. 23, 1959, 73 Stat. 669; Pub. L. 87-70, title I, §101(c), title VI, §601(a), (b), June 30, 1961, 75 Stat. 153, 175, 176; Pub. L. 88-560, title I, §109(b), Sept. 2, 1964, 78 Stat. 777; Pub. L. 89-117, title VIII, §801, Aug. 10, 1965, 79 Stat. 493; Pub. L. 89-429, §3(a), May 24, 1966, 80 Stat. 166; Pub. L. 89-566, §3, Sept. 10, 1966, 80 Stat. 738; Pub. L. 89-754, title III, §310(d), title X, §§1005, 1020(c), Nov. 3, 1966, 80 Stat. 1270, 1285, 1296; Pub. L. 90-19, §1(a)(2), May 25, 1967, 81 Stat. 17; Pub. L. 90-448, title II, §201(g), title VIII, §806, Aug. 1, 1968, 82 Stat. 503, 544; Pub. L. 91-152, §2, title I, §115, Dec. 24, 1969, 83 Stat. 379, 385; Pub. L. 91-351, title IV, §401, July 24, 1970, 84 Stat. 458; Pub. L. 95-557, title III, §318(b), Oct. 31, 1978, 92 Stat. 2101; Pub. L. 96-399, title III, §338, Oct. 8, 1980, 94 Stat. 1657; Pub. L. 97-35, title III, §333(a)(1), (2), Aug. 13, 1981, 95 Stat. 413, related to the special assistance functions of the Government National Mortgage Association.

SAVINGS PROVISION

Pub. L. 98-181, title I [title IV, §483(b)], Nov. 30, 1983, 97 Stat. 1240, provided that: "Any purchase or commitment to purchase any mortgage pursuant to section 305 or 313 of the Federal National Mortgage Association Charter Act [former sections 1720 and 1723e of this title] made before the date of the enactment of this Act [Nov. 30, 1983], and the servicing and disposition of any such mortgage, shall continue to be governed by the provisions of such sections as they existed immediately before the effective date of this section [Nov. 30, 1983]."

§ 1721. Management and liquidation functions of Government National Mortgage Association

(a) Separate accountability of assets and liabilities

To carry out the purposes set forth in paragraph (c)¹ of section 1716 of this title, the Association

is authorized and directed, as of the close of the cutoff date determined by the Association pursuant to section 1718(d)¹ of this title, to establish separate accountability for all of its assets and liabilities (exclusive of capital, surplus, surplus reserves, and undistributed earnings to be evidenced by preferred stock as provided in section 1718(d)¹ of this title, but inclusive of all rights and obligations under any outstanding contracts), and to maintain such separate accountability for the management and orderly liquidation of such assets and liabilities as provided in this section.

(b) Issuance of obligations to expedite substitution of private financing

For the purposes of this section and to assure that, to the maximum extent, and as rapidly as possible, private financing will be substituted for Treasury borrowings otherwise required to carry mortgages held under the aforesaid separate accountability, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding as any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership under the aforesaid separate accountability, free from any liens or encumbrances, of cash, mortgages, and obligations of the United States or guaranteed thereby, or obligations, participations, or other instruments which are lawful investments for fiduciary, trust or public funds. The proceeds of any private financing effected under this subsection shall be paid to the Secretary of the Treasury in reduction of the indebtedness of the Association to the Secretary of the Treasury under the aforesaid separate accountability. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

(c) Cutoff date as controlling purchases; total amount of mortgages and commitments

No mortgage shall be purchased by the Association in its operations under this section except pursuant to and in accordance with the terms of a contract or commitment to purchase the same made prior to the cutoff date provided for in section 1718(d)¹ of this title, which contract or commitment became a part of the aforesaid separate accountability, and the total amount of mortgages and commitments held by the Association under this section shall not, in

¹ See References in Text note below.