

its business without regard to any qualification or similar statute” for “conduct its business”, and struck out provisions which empowered the Federal National Mortgage Association, by its board of directors, to adopt, amend, and repeal bylaws.

Subsec. (c). Pub. L. 90-448, §802(aa), designated existing provisions as par. (1), and struck out provisions which required the Association, with respect to its secondary market operations under section 1719 of this title, to pay annually to the Secretary of the Treasury an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes with respect to such secondary market operations, and added par. (2).

Subsec. (d). Pub. L. 90-448, §802(bb), designated existing provisions as par. (1), substituted “Secretary of Housing and Urban Development” for “Chairman of the Board”, and “agents of the Association” for “agents”, and added par. (2).

Subsec. (e). Pub. L. 90-448, §802(cc), prohibited the use of the name Government National Mortgage Association, authorized injunctions, and permitted recovery of actual damages and punitive damages, and eliminated provisions which made violations of this subsection a misdemeanor punishable by a fine of not more than \$100 or imprisonment for not more than 30 days, or both, for each day during which the violation is committed or repeated.

Subsec. (g). Pub. L. 90-448, §802(dd), authorized and directed the Federal Reserve Banks to act for the Government National Mortgage Association, and empowered each of the bodies corporate to act as depository, custodian, and fiscal agent, for its own account or as fiduciary, and for the account of others.

Subsec. (h). Pub. L. 90-448, §802(ee), added subsec. (h). 1961—Subsec. (c). Pub. L. 87-70 inserted “or other security holdings” after “mortgages”.

#### 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 1974 AMENDMENT

Pub. L. 93-383, title VIII, §806(k), Aug. 22, 1974, 88 Stat. 728, provided that the amendment made by that section does not apply with respect to any person receiving an annuity on the date of the enactment of Pub. L. 93-383, which was approved Aug. 22, 1974.

#### 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.

#### TRANSFER OF FUNCTIONS

“Director of the Office of Personnel Management” substituted for “United States Civil Service Commission” pursuant to Reorg. Plan No. 2 of 1978, §102, 43 F.R. 36037, 92 Stat. 3783, set out under section 1101 of Title 5, Government Organization and Employees, which transferred functions vested by statute in United States Civil Service Commission to Director of Office of Personnel Management (except as otherwise specified), effective Jan. 1, 1979, as provided by section 1-102 of Ex. Ord. No. 12107, Dec. 28, 1978, 44 F.R. 1055, set out under section 1101 of Title 5.

#### 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 Congress, its duration is otherwise provided 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.

#### PROPOSAL BY FEDERAL NATIONAL MORTGAGE ASSOCIATION RESPECTING MORTGAGE-BACKED SECURITIES PROGRAM; APPROVAL, ETC.

Pub. L. 96-399, title III, §330, Oct. 8, 1980, 94 Stat. 1652, provided that: “If the Federal National Mortgage Association submits to the Secretary of Housing and Urban Development or the Secretary of the Treasury, after the date of enactment of this section [Oct. 8, 1980], a proposal with respect to undertaking a mortgage-backed securities program, the Secretary of Housing and Urban Development or the Secretary of the Treasury, as the case may be, shall, within 90 days after submission of such proposal, approve the proposal or transmit to the Congress a report explaining why the proposal has not been approved.”

#### § 1723b. Investment of funds

Moneys of the Association not invested in mortgages or other security holdings or in operating facilities shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(June 27, 1934, ch. 847, title III, §310, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 621; amended Pub. L. 86-372, title III, §305(b), Sept. 23, 1959, 73 Stat. 670; Pub. L. 87-70, title VI, §603(e), June 30, 1961, 75 Stat. 177; Pub. L. 88-560, title VII, §701(b)(3), Sept. 2, 1964, 78 Stat. 800.)

#### PRIOR PROVISIONS

Prior provisions on the subject of this section were formerly contained in section 1718 of this title.

#### AMENDMENTS

1964—Pub. L. 88-560 authorized investment of funds in participations and other instruments which are lawful investments.

1961—Pub. L. 87-70 inserted “or other security holdings” after “mortgages”.

1959—Pub. L. 86-372 substituted “in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds” for “in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States”.

#### § 1723c. Obligations, participations, or other instruments as lawful investments; acceptance as security; exempt securities

All obligations, participations, or other instruments issued by either of the bodies corporate named in section 1717(a)(2) of this title shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof. All stock, obligations, securities, participations, or other instruments issued pursuant to this subchapter shall, to the same extent as securities

which are direct obligations of or obligations guaranteed as to principal or interest by the United States, be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission.

(June 27, 1934, ch. 847, title III, §311, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 622; amended Pub. L. 88-560, title VII, §701(b)(1), Sept. 2, 1964, 78 Stat. 800; Pub. L. 90-448, title VIII, §802(ff), Aug. 1, 1968, 82 Stat. 542; Pub. L. 98-440, title II, §213(b), Oct. 3, 1984, 98 Stat. 1698; Pub. L. 102-550, title XIII, §1381(r), Oct. 28, 1992, 106 Stat. 4001.)

#### AMENDMENTS

1992—Pub. L. 102-550 struck out before period at end “; but all such issuances by the Association and all issuances of stock, and debt obligations convertible into stock, by the corporation shall be made only with the approval of the Secretary of Housing and Urban Development”.

1984—Pub. L. 98-440 inserted “by the Association and all issuances of stock, and debt obligations convertible into stock, by the corporation”.

1968—Pub. L. 90-448 substituted “either of the bodies corporate named in section 1717(a)(2) of this title” for “the Association,” and inserted provisions directing that all stock, obligations, securities, participations, or other instruments issued pursuant to this subchapter be deemed to be exempt securities, and requiring approval of the Secretary for all issuances.

1964—Pub. L. 88-560 inserted “, participations, or other instruments” after “obligations”.

#### 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.

#### § 1723d. Transfer of certain functions to Association

The functions of the Housing and Home Finance Administrator (including the function of making payments to the Secretary of the Treasury) under section 2 of Reorganization Plan Numbered 22 of 1950, together with the notes and capital stock of the Federal National Mortgage Association held by said Administrator thereunder, are transferred to the Federal National Mortgage Association.

(Aug. 2, 1954, ch. 649, title II, §207, 68 Stat. 622.)

#### REFERENCES IN TEXT

Reorganization Plan Numbered 22 of 1950, referred to in text, is set out as a note under section 1717 of this title.

#### CODIFICATION

Section was enacted as part of the Housing Act of 1954, and not as part of the National Housing Act which comprises this chapter or of the Federal National Mortgage Charter Association Act which comprises this subchapter.

#### § 1723e. Repealed. Pub. L. 98-181, title I [title IV, § 483(a)], Nov. 30, 1983, 97 Stat. 1240

Section, act June 27, 1934, ch. 847, title III, §313, as added Oct. 18, 1974, Pub. L. 93-449, §3(a), 88 Stat. 1364; amended July 2, 1975, Pub. L. 94-50, title II §§201-206, 89 Stat. 254, 255; Aug. 3, 1976, Pub. L. 94-375, §13(e)(1), 90 Stat. 1075; Oct. 12, 1977, Pub. L. 95-128, title IV, §407(a)-(d), 91 Stat. 1137, 1138; Oct. 8, 1980, Pub. L. 96-399, title III, §337(b), 94 Stat. 1655, related to the interim

mortgage and security purchasing authority of the Association.

#### SAVINGS PROVISION

For continued application of former sections 1720 and 1723e of this title to any purchase or commitment to purchase any mortgage made pursuant to those sections before Nov. 30, 1983, and the servicing and disposition of any such mortgage, see section 483(b) of Pub. L. 98-181, set out as a note under section 1720 of this title.

#### EFFECTIVE DATE

Pub. L. 93-449, §3(b), Oct. 18, 1974, 88 Stat. 1366, as amended by Pub. L. 94-50, title II, §207, July 2, 1975, 89 Stat. 256; Pub. L. 94-375, §13(d), Aug. 3, 1976, 90 Stat. 1075; Pub. L. 95-128, title IV, §407(e), Oct. 12, 1977, 91 Stat. 1138; Pub. L. 95-406, §3, Sept. 30, 1978, 92 Stat. 880; Pub. L. 95-557, title III, §303, Oct. 31, 1978, 92 Stat. 2096; Pub. L. 96-71, §3, Sept. 28, 1979, 93 Stat. 502; Pub. L. 96-105, §3, Nov. 8, 1979, 93 Stat. 795; Pub. L. 96-153, title III, §303, Dec. 21, 1979, 93 Stat. 1112; Pub. L. 96-372, §4, Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96-399, title III, §337(a), Oct. 8, 1980, 94 Stat. 1655, which related to the effective date of former section 1723e of this title, was repealed by Pub. L. 98-181, title I [title IV, §483(a)], Nov. 30, 1983, 97 Stat. 1240.

#### EMERGENCY MORTGAGE PURCHASE ASSISTANCE; TRANSFER OF FUNDS

Pub. L. 98-371, title I, July 18, 1984, 98 Stat. 1218, in part directed Secretary to transfer all assets acquired and liabilities incurred pursuant to this section to management and liquidating functions fund established pursuant to section 1721 of this title, and that on Oct. 1, 1984, each outstanding obligation issued by Secretary of Housing and Urban Development to Secretary of the Treasury pursuant to subsec. (c) of this section, together with any promise to repay principal and unpaid interest which had accrued on each obligation, and any other term or condition specified by each such obligation, was canceled.

#### § 1723f. Repealed. Pub. L. 96-294, title V, § 533, June 30, 1980, 94 Stat. 740

Section, act June 27, 1934, ch. 847, title III, §314, as added Nov. 9, 1978, Pub. L. 95-619, title II, §242, 92 Stat. 3228, related to the purchase of energy conserving home improvement loans and advances of credit by the Association under the direction of the Secretary.

#### §§ 1723g, 1723h. Repealed. Pub. L. 102-550, title IX, § 912(i)(2), Oct. 28, 1992, 106 Stat. 3876

Section 1723g, act June 27, 1934, ch. 847, title III, §315, as added Nov. 9, 1978, Pub. L. 95-619, title II, §243, 92 Stat. 3230; amended June 30, 1980, Pub. L. 96-294, title V, §531, 94 Stat. 737; Oct. 17, 1984, Pub. L. 98-479, title II, §203(a)(4), 98 Stat. 2229, set out authority of Solar Energy and Energy Conservation Bank to purchase loans and advances of credit for energy conservation improvements or solar energy systems.

Section 1723h, act June 27, 1934, ch. 847, title III, §316, as added Nov. 9, 1978, Pub. L. 95-619, title II, §244, 92 Stat. 3231; amended June 30, 1980, Pub. L. 96-294, title V, §532, 94 Stat. 739; Oct. 17, 1984, Pub. L. 98-479, title II, §203(a)(5), 98 Stat. 2229, set out authority of Solar Energy and Energy Conservation Bank to purchase mortgages secured by newly constructed homes with solar energy systems.

#### § 1723i. Civil money penalties against issuers

##### (a) In general

##### (1) Authority

Whenever an issuer or custodian approved under section 1721(g) of this title knowingly and materially violates any provisions of sub-