

(2) Nomination and election

For purposes of nominating and electing members of the board of directors under paragraph (1)(A):

(A) First member

The nomination and election of the first member from each district shall be carried out on the basis provided for in section 2124(d) of this title.

(B) Second member**(i) In general**

The nomination and election of the second member from each district shall be carried out with each voting stockholder of the consolidated bank located in the district having one vote, plus a number of votes (or fractional part thereof) equal to the number of stockholders eligible to vote in that district multiplied by the percentage (or fractional part thereof) of the total equity interest (including allocated, but not unallocated, surplus and reserves) in the consolidated bank of all such stockholders located in that district held by the individual voting stockholder—

(I) at the close of the immediately preceding fiscal year of the consolidated bank; or

(II) with respect to the first election held under this subsection, as of such date as the Farm Credit Administration shall prescribe.

(ii) Total number of votes

The total number of votes for each district under this subparagraph shall be the number of voting stockholders of the consolidated bank located in the district multiplied by two.

(C) Third member

The nomination and election of the third member from each district shall be carried out in accordance with procedures prescribed in the bylaws of the consolidated bank.

(3) Terms**(A) In general**

The members of the board of directors of the consolidated bank shall serve for a term of 3 years.

(B) Timing of elections

Procedures for electing members of the board of directors of the consolidated bank under this subsection shall ensure that the beginning of the terms of such members coincide with the expiration of the terms of members of the interim board of directors of the bank under subsection (a).

(4) FCA regulations

The nomination and election of the members of the board of directors of the consolidated bank under this subsection shall be carried out in accordance with regulations issued by the Farm Credit Administration.

(c) Modification of board of directors provisions

The provisions of subsection (b) relating to the board of directors of the consolidated bank,

other than the provisions relating to the initial composition, nomination, and election of the members of the board, may be modified on an affirmative vote of at least two-thirds of the voting stockholders of the bank, with each such stockholder to have, for such purposes, only one vote. Any proposals for modifying such provisions shall be submitted for a vote by such stockholders in accordance with procedures prescribed by the Farm Credit Administration.

(Pub. L. 92-181, title III, §3.21, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1642; amended Pub. L. 100-399, title IV, §407(c), (d), Aug. 17, 1988, 102 Stat. 1000.)

AMENDMENTS

1988—Subsec. (b)(2)(B)(i)(I). Pub. L. 100-399, §407(d), amended subcl. (I) generally. Prior to amendment, subcl. (I) read as follows: “as of the final date of the fiscal year of the consolidated bank; or”.

Subsec. (b)(2)(C). Pub. L. 100-399, §407(c), added subpar. (C).

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.

§ 2143. Credit delivery office

On a determination by the board of directors of the consolidated bank that the bank's loan portfolio is concentrated in any one district or districts (according to the district boundaries in effect immediately prior to the effective date of the establishment of the bank under section 413 of the Agricultural Credit Act of 1987), the bank may consider the creation of regional service centers to accommodate such loan concentrations.

(Pub. L. 92-181, title III, §3.22, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1643; amended Pub. L. 100-399, title IV, §407(e), Aug. 17, 1988, 102 Stat. 1000.)

REFERENCES IN TEXT

Section 413 of the Agricultural Credit Act of 1987, referred to in text, is section 413 of Pub. L. 100-233, as amended, which is set out as a note under section 2121 of this title.

AMENDMENTS

1988—Pub. L. 100-399 substituted “consolidated bank” for “United Bank for Cooperatives or the National Bank for Cooperatives” and “establishment of the bank under section 413 of the Agricultural Credit Act of 1987” for “merger”.

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.

§ 2144. Consolidation of functions

Subject to section 2143 of this title, to the greatest extent practicable, the functions of the consolidated bank shall be consolidated in the central office of the bank.

(Pub. L. 92-181, title III, §3.23, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2145. Exchange of ownership interests

On the establishment of the consolidated bank, ownership interests of the stockholders and subscribers to the guaranty funds of the constituent district banks for cooperatives (including stock, participation certificates, and allocated equities) shall be exchanged for like ownership interests in the consolidated bank on a book value basis.

(Pub. L. 92-181, title III, §3.24, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2146. Capitalization

In accordance with section 2154a of this title, each consolidated bank shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the bank and the manner in which bank stock shall be issued, held, transferred, and retired and bank earnings distributed.

(Pub. L. 92-181, title III, §3.25, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, §407(f), Aug. 17, 1988, 102 Stat. 1000.)

AMENDMENTS

1988—Pub. L. 100-399 amended section generally. Prior to amendment, section read as follows: “The board of directors of the consolidated bank shall provide for the capitalization of such bank in accordance with the provisions of section 2154a of this title.”

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.

§ 2147. Patronage pools

Under such terms and conditions as may be determined by its board of directors, the consolidated bank may—

(1) for a period of at least 3 years following January 6, 1988, establish separate patronage pools consisting of loans to eligible borrowers located in each constituent farm credit district (as such district existed on January 6, 1988); and

(2) allocate revenues, expenses, and net savings among such pools on an equitable basis.

(Pub. L. 92-181, title III, §3.26, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2148. Transactions to accomplish merger

The receipt of assets or assumption of liabilities by the consolidated bank, the exchange of stock, equities, or other ownership interests, and any other transaction carried out in accomplishing the merger of the banks for cooperatives shall not be treated as a taxable event under the laws of the United States or of any State or political subdivision thereof. The preceding sentence shall also apply to the receipt of assets and liabilities by a cooperative to the extent that the net amount of the distribution is immediately reinvested in stock of a consolidated bank (and in such case the basis of such

stock shall be appropriately reduced by the amount of gain not recognized by reason of this sentence).

(Pub. L. 92-181, title III, §3.27, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644; amended Pub. L. 100-399, title IV, §407(g), Aug. 17, 1988, 102 Stat. 1001.)

AMENDMENTS

1988—Pub. L. 100-399 substituted “cooperative” for “taxable institution”.

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.

§ 2149. Lending limits

The Farm Credit Administration may not establish lending limits for the consolidated bank with respect to any loans or borrowers that are more restrictive than the combined lending limits that were previously established by the Farm Credit Administration for a district bank for cooperatives and the Central Bank for Cooperatives with respect to such loans or borrowers.

(Pub. L. 92-181, title III, §3.28, as added Pub. L. 100-233, title IV, §415(2), Jan. 6, 1988, 101 Stat. 1644.)

§ 2149a. Reports by merged banks for cooperatives**(a) In general**

When two or more banks for cooperatives merge, the resulting bank shall, not later than December 31 of each year of the succeeding 5 years following the date of the merger, file an annual report with the Farm Credit Administration that—

(1) analyzes the effect of the merger;

(2) includes a breakdown of loans outstanding according to the size of the cooperative stockholders of the bank; and

(3) describes the adequacy of credit and other assistance services provided to smaller cooperatives.

(b) Availability

A copy of the report required in subsection (a) shall be made available to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(Pub. L. 92-181, title III, §3.29, formerly title VII, §7.5, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1646; renumbered §3.29, Pub. L. 100-399, title IV, §408(e), Aug. 17, 1988, 102 Stat. 1001.)

CODIFICATION

Section was classified to section 2279a-5 of this title prior to renumbering by Pub. L. 100-399.

SUBCHAPTER IV—PROVISIONS APPLICABLE TO TWO OR MORE CLASSES OF INSTITUTIONS OF THE SYSTEM

PART A—FUNDING

§ 2151. Revolving fund

The revolving fund established by this section (in effect immediately before January 6, 1988)