

United States or in obligations guaranteed as to principal and interest by the United States.

(Pub. L. 92-181, title V, §5.62, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1618.)

§ 2277a-12. Exemption from taxation

Notwithstanding any other provision of law, the Corporation, including its franchise, and its capital, reserves, surplus, and income, shall be exempt from all taxation imposed by the United States, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, county, municipal, and local taxation to the same extent according to its value as other real property is taxed.

(Pub. L. 92-181, title V, §5.63, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1618.)

§ 2277a-13. Omitted

CODIFICATION

Section, Pub. L. 92-181, title V, §5.64, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1619, which required the Farm Credit System Insurance Corporation to submit an annual report to Congress on the operations of the Corporation, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 167 of House Document No. 103-7.

§ 2277a-14. Prohibitions

(a) Corporate name

(1) Use of corporate name

It shall be unlawful for any person or entity to use the words "Farm Credit System Insurance Corporation" or any combination of such words that would have the effect of leading the public to believe that there is any connection between such person or entity and the Corporation, by virtue of the name under which such person or entity does business.

(2) False representation

(A) By outside person or entities

It shall be unlawful for any person or entity to falsely represent by any device, that the notes, bonds, debentures, or other obligations of the person or entity are insured or in any way guaranteed by the Corporation.

(B) System banks

It shall be unlawful for any insured System bank or person that markets insured obligations to falsely represent the extent to which or the manner in which such obligations are insured by the Corporation.

(3) Penalty

Any person or entity that willfully violates any provision of this subsection shall be fined not more than \$1,000, imprisoned for not more than 1 year, or both.

(b) Payments or distributions while in default

(1) In general

It shall be unlawful for any insured System bank to pay any dividends on bank stock or participation certificates or interest on the capital notes or debentures of such bank (if

such interest is required to be paid only out of net profits) or distribute any of the capital assets of such bank while the bank remains in default in the payment of any premium due to the Corporation.

(2) Liability of directors

Each director or officer of any insured System bank who willfully participates in the declaration or payment of any dividend or interest or in any distribution in violation of this subsection shall be fined not more than \$1,000, imprisoned not more than 1 year, or both.

(3) Applicability

This subsection shall not apply to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.

(c) Failure to file statement or pay premium

(1) In general

Any insured System bank that willfully fails or refuses to file any certified statement or pay any premium required under this part shall be subject to a penalty of not more than \$100 for each day that such violations continue, which penalty the Corporation may recover for its use.

(2) Applicability

This subsection shall not apply to conduct with respect to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.

(d) Employment of persons convicted of criminal offenses

(1) In general

Except with the prior written consent of the Farm Credit Administration, it shall be unlawful for any person convicted of any criminal offense involving dishonesty or a breach of trust to serve as a director, officer, or employee of any System institution.

(2) Penalty

For each willful violation of paragraph (1), the institution involved shall be subject to a penalty of not more than \$100 for each day during which the violation continues, which the Corporation may recover for its use.

(Pub. L. 92-181, title V, §5.65, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1619; amended Pub. L. 101-624, title XVIII, §1837, Nov. 28, 1990, 104 Stat. 3834; Pub. L. 102-237, title V, §502(k), Dec. 13, 1991, 105 Stat. 1869.)

AMENDMENTS

1991—Subsec. (d)(1). Pub. L. 102-237 struck out "insured" before "System".

1990—Subsec. (d)(1). Pub. L. 101-624, §1837(1), substituted "insured System institution" for "insured System bank".

Subsec. (d)(2). Pub. L. 101-624, §1837(2), substituted "institution" for "bank".

SUBCHAPTER VI—ASSISTANCE TO FARM
CREDIT SYSTEM

PART A—ASSISTANCE BOARD

§ 2278a. Establishment of Board

(a) Charters

On the date which is 15 days after January 6, 1988, the Farm Credit Administration shall revoke the charter of the Farm Credit System Capital Corporation (hereinafter referred to in this subchapter as the “Capital Corporation”) and shall charter the Farm Credit System Assistance Board (hereinafter referred to in this chapter as the “Assistance Board”) that, subject to this part, shall be a Federally chartered instrumentality of the United States.

(b) Use of Capital Corporation staff

During the 90-day period beginning on the date of the revocation of the charter of the Capital Corporation, the Assistance Board may temporarily employ, by contract or otherwise under reasonable and necessary terms and conditions, such staff of the Capital Corporation as is necessary to facilitate and effectuate an orderly transition to, and commencement of, the Assistance Board, and the termination of the affairs of the Capital Corporation.

(Pub. L. 92-181, title VI, §6.0, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1585.)

§ 2278a-1. Purposes

The purposes of the Assistance Board shall be to carry out a program to provide assistance to, and protect the stock of borrowers of, the institutions of the Farm Credit System, and to assist in restoring System institutions to economic viability and permitting such institutions to continue to provide credit to farmers, ranchers, and the cooperatives of such, at reasonable and competitive rates.

(Pub. L. 92-181, title VI, §6.1, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1585.)

§ 2278a-2. Board of Directors

(a) Membership

The Board of Directors of the Assistance Board (hereinafter referred to in this part as the “Board of Directors”) shall consist of three members—

- (1) one of which shall be the Secretary of the Treasury;
- (2) one of which shall be the Secretary of Agriculture; and
- (3) one of which shall be an agricultural producer experienced in financial matters, and appointed by the President, by and with the advice and consent of the Senate.

(b) Chairman

The Board of Directors shall elect annually a Chairman from among the members of the Board.

(c) Terms of office, succession, and vacancies

(1) Terms of office and succession

The term of each member of the Board of Directors shall expire when the Assistance Board is terminated.

(2) Vacancies

Vacancies on the Board of Directors shall be filled in the same manner as the vacant position was previously filled.

(d) Compensation of Board members

Members of the Board of Directors—

(1) appointed under paragraphs (1) and (2) of subsection (a) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Assistance Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter I of chapter 57 of title 5 for officers and employees of the United States; and

(2) appointed under paragraph (3) of subsection (a) shall receive compensation for the time devoted to meetings and other activities at a daily rate not to exceed the daily rate of compensation prescribed for Level III of the Executive Schedule under section 5314 of title 5 and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Assistance Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter I of chapter 57 of title 5 for officers and employees of the United States.

(e) Rules and records

The Board of Directors of the Assistance Board shall adopt such rules as it may deem appropriate for the transaction of the business of the Assistance Board, and shall keep permanent and accurate records and minutes of its acts and proceedings.

(f) Quorum required

A quorum shall consist of two members of the Board of Directors. All decisions of the Board shall require an affirmative vote of at least a majority of the members voting.

(g) Chief executive officer

A chief executive officer of the Assistance Board shall be selected by the Board of Directors of the Assistance Board and shall serve at the pleasure of the Board.

(Pub. L. 92-181, title VI, §6.2, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1586; amended Pub. L. 102-237, title V, §502(i), Dec. 13, 1991, 105 Stat. 1869.)

AMENDMENTS

1991—Subsec. (d)(1), (2). Pub. L. 102-237 substituted “subchapter I” for “subchapter 1”.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(4) of Pub. L. 102-237, set out as a note under section 1421 of Title 7, Agriculture.

§ 2278a-3. Corporate powers

(a) In general

The Assistance Board shall be a body corporate that shall have the power to—