

subsection (a), any funds in the accounts established under section 2278b-5 of this title shall be transferred to the Insurance Fund established under section 2277a-9 of this title.

(Pub. L. 92-181, title VI, § 6.31, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1605; amended Pub. L. 102-552, title III, § 307(b), Oct. 28, 1992, 106 Stat. 4116.)

AMENDMENTS

1992—Subsec. (a). Pub. L. 102-552 substituted “terminate on the complete discharge by the Financial Assistance Corporation of its responsibilities under section 2278a-9(e) of this title and subsections (c) through (g) of section 2278b-6 of this title with regard to repayments by System institutions, but in no event later than 2 years following” for “terminate on”.

SUBCHAPTER VII—RESTRUCTURING OF SYSTEM INSTITUTIONS

AMENDMENTS

1988—Pub. L. 100-399, title IV, § 408(a), Aug. 17, 1988, 102 Stat. 1001, substituted “RESTRUCTURING OF” for “MERGERS OF” in subchapter heading.

PART A—MERGER OF BANKS WITHIN A DISTRICT

§ 2279a. Power to merge

The banks within a district may merge into a single entity (hereinafter in this subchapter referred to as a “merged bank”) if the plan of merger is approved by—

- (1) the Farm Credit Administration Board;
- (2) the respective boards of directors of the banks involved;
- (3) a majority of the stockholders of each bank voting, in person or by proxy, at a duly authorized stockholders’ meeting with each association entitled to cast a number of votes equal to the number of its voting stockholders; and
- (4) in the case of a bank for cooperatives, a majority of the total equity interests in such merging bank for cooperatives (including allocated, but not unallocated, surplus and reserves) held by those stockholders or subscribers to the guaranty fund of the bank voting.

(Pub. L. 92-181, title VII, § 7.0, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1645; amended Pub. L. 100-399, title IV, § 408(b), Aug. 17, 1988, 102 Stat. 1001.)

AMENDMENTS

1988—Pub. L. 100-399 substituted “The banks” for “Two or more banks” in introductory provisions, and in par. (3) substituted “with each association entitled to cast a number of votes equal to the number of its voting” for “in accordance with the provisions of section 2223(c) of this title relating to the casting of votes by”.

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.

§ 2279a-1. Board of directors

Each merged bank shall elect a board of directors of such number, for such term, in such manner, and with such qualifications, as may be re-

quired in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

(Pub. L. 92-181, title VII, § 7.1, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1645; amended Pub. L. 100-399, title IV, § 408(c), Aug. 17, 1988, 102 Stat. 1001.)

AMENDMENTS

1988—Pub. L. 100-399 struck out “for the district” in section catchline and amended text generally, revising and restating as a single unlettered paragraph provisions of former subsecs. (a) and (b).

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.

§ 2279a-2. Powers of merged banks

(a) In general

Except as otherwise provided in this subchapter, a merged bank shall have all of the powers granted to, and shall be subject to all of the obligations imposed on, any of the constituent entities of the merged bank.

(b) Regulations

The Farm Credit Administration shall issue regulations that establish the manner in which the powers and obligations of the banks that form the merged bank are consolidated, and to the extent necessary, reconciled in the merged bank.

(Pub. L. 92-181, title VII, § 7.2, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1645.)

§ 2279a-3. Capitalization

In accordance with section 2154a of this title, each merged 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 VII, § 7.3, as added Pub. L. 100-399, title IV, § 408(d), Aug. 17, 1988, 102 Stat. 1001.)

PRIOR PROVISIONS

A prior section 2279a-3, Pub. L. 92-181, title VII, § 7.3, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1645, related to issuance of shares of capital stock, prior to repeal by Pub. L. 100-399, title IV, § 408(d), Aug. 17, 1988, 102 Stat. 1001.

EFFECTIVE DATE

Section 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 an Effective Date of 1988 Amendment note under section 2002 of this title.

§ 2279a-4. Repealed. Pub. L. 100-399, title IV, § 408(d), Aug. 17, 1988, 102 Stat. 1001

Section, Pub. L. 92-181, title VII, § 7.4, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1646, related to earnings, reserves, and distributions with regard to merged banks. See section 2279a-3 of this title.

EFFECTIVE DATE OF REPEAL

Repeal effective as if repealing provisions had been 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 an Effective Date of 1988 Amendment note under section 2002 of this title.

§ 2279a-5. Transferred

CODIFICATION

Section, Pub. L. 92-181, title VII, §7.5, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1646, which required reports by merged banks for cooperatives, was renumbered section 3.29 of title III of Pub. L. 92-181 by Pub. L. 100-399, title IV, §408(e), Aug. 17, 1988, 102 Stat. 1001, and is classified to section 2149a of this title.

PART B—MERGERS, TRANSFERS OF ASSETS, AND POWERS OF ASSOCIATIONS WITHIN A DISTRICT

SUBPART 1—TRANSFERS BY FEDERAL LAND BANKS TO FEDERAL LAND BANK ASSOCIATIONS

§ 2279b. Transfer of lending authority

(a) Voluntary transfers

A Federal land bank or a merged bank having a Federal land bank as one of its constituents, may transfer to a Federal land bank association, and the association may assume, the authority of the transferring bank in the territorial area served by the association, to make and participate in long-term real estate mortgage loans under this chapter if the transfer is approved by—

- (1) the Farm Credit Administration Board;
- (2) the Board of Directors of both institutions; and
- (3) a majority of the stockholders of the bank and of the association, in accordance with the voting provisions of sections 2279a and 2279c-1 of this title, respectively.

(b) Direct loans and financial assistance

After a transfer described in subsection (a) or (d)—

- (1) the Federal land bank association shall possess all of the direct long-term real estate mortgage loan authority, formerly possessed by the transferring bank, in the territory served by the association; and
- (2) the bank may provide and extend financial assistance to, and discount for, or purchase from, the transferee Federal land bank association any note, draft, or other obligation with the endorsement or guarantee of the association, the proceeds of which have been advanced to persons eligible and for purposes of financing by the association under subsection (a).

(c) Regulations

The Farm Credit Administration shall issue regulations that establish the manner in which the powers and obligations of the banks that make transfers are consolidated and, to the extent necessary, reconciled in the association referred to in subsection (a).

(d) Mandatory transfer

On the merger of one or more production credit associations with one or more Federal land bank associations, the bank supervising the

Federal land bank association shall transfer all of the direct lending authority of the bank in the territory served by such Federal land bank association to such merged association.

(Pub. L. 92-181, title VII, §7.6, formerly §§7.6, 7.7, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1647; amended Pub. L. 100-399, title IV, §408(f)-(j), Aug. 17, 1988, 102 Stat. 1001, 1002.)

CODIFICATION

Pub. L. 100-399, §408(j), transferred section 7.7 of Pub. L. 92-181, which was classified to section 2279c of this title, to subsec. (d) of this section.

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-399, §408(f), substituted “Voluntary transfers” for “Assignments” as subsection heading, and in text substituted “may transfer” for “may assign”, “this chapter” for “sections 2014 through 2017 of this title”, and “transfer is approved” for “assignment is approved” in introductory provisions, and “sections 2279a and 2279c-1 of this title, respectively” for “sections 2279a and 2279b of this title” in par. (3).

Subsec. (b). Pub. L. 100-399, §408(g), substituted “a transfer described in subsection (a) or (d)” for “an assignment described in subsection (a)” in introductory provisions and “the bank may provide” for “the Federal land bank may provide” in par. (2).

Subsec. (c). Pub. L. 100-399, §408(h), struck out “assignments or” before “transfers are consolidated” and struck out second sentence, which provided that, following a transfer or assignment under subsection (a) of this section, the provisions of section 2154a of this title were to be applicable to the association.

Subsec. (d). Pub. L. 100-399, §408(i), (j), transferred section 2279c of this title to subsec. (d) of this section, substituted heading for former section heading, and amended text generally. Prior to amendment, text read as follows: “On the merger of one or more production credit associations with one or more Federal land bank associations, the bank supervising the Federal land bank association shall transfer all of its direct lending authority of the bank to such association under section 2279c-1 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.

§ 2279c. Equalization of loan-making powers of certain district associations

(a) Equalization of loan-making powers

(1) In general

(A) Federal land bank associations

Subject to paragraph (2), any association that owns a Federal land bank association authorized as of January 1, 2007, to make long-term loans under subchapter I in its chartered territory within the geographic area described in subsection (b) may make short- and intermediate-term loans and otherwise operate as a production credit association under subchapter II within that same chartered territory.

(B) Production credit associations

Subject to paragraph (2), any association that under its charter has subchapter I lending authority and that owns a production credit association authorized as of January 1, 2007, to make short- and intermediate-