

taining amounts for the purchase of any securities under paragraph (1), for the purchase of qualified loans (as defined in section 2279aa(9) of this title), and for maintaining reasonable amounts for business operations (including adequate liquidity) relating to activities under this subsection.

### (3) Terms and limitations

#### (A) Terms

The obligations issued under this subsection shall have maturities and bear rates of interest as determined by the Corporation, and may be redeemable at the option of the Corporation before maturity in the manner stipulated in the obligations.

#### (B) Requirement

Each obligation shall clearly indicate that the obligation is not an obligation of, and is not guaranteed as to principal and interest by, the Farm Credit Administration, the United States, or any other agency or instrumentality of the United States (other than the Corporation).

#### (C) Authority

The Corporation may not issue obligations pursuant to paragraph (2) under this subsection while any obligation issued by the Corporation under section 2279aa-13(a) of this title remains outstanding.

(Pub. L. 92-181, title VIII, §8.6, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1695; amended Pub. L. 100-399, title VI, §601(f)-(h), Aug. 17, 1988, 102 Stat. 1005; Pub. L. 102-237, title V, §503(d), Dec. 13, 1991, 105 Stat. 1877; Pub. L. 104-105, title I, §§107, 108(a), (c)(2), 109(a), (b)(4), Feb. 10, 1996, 110 Stat. 164, 165; Pub. L. 110-234, title V, §5406(b), May 22, 2008, 122 Stat. 1158; Pub. L. 110-246, §4(a), title V, §5406(b), June 18, 2008, 122 Stat. 1664, 1920.)

#### CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

#### AMENDMENTS

2008—Subsec. (a)(1)(A), (B)(i). Pub. L. 110-246, §5406(b), inserted “applicable” before “standards”.

1996—Subsec. (a)(1). Pub. L. 104-105, §107(1), designated part of existing text as subpar. (A) and added subpar. (B).

Subsec. (a)(2). Pub. L. 104-105, §108(c)(2), struck out “subject to the provisions of subsection (b) of this section” after “paragraph (1),”.

Subsec. (b). Pub. L. 104-105, §§108(a), 109(a)(2), redesignated subsec. (d) as (b) and struck out heading and text of former subsec.(b). Text read as follows: “In the case of any pool referred to in subsection (a) of this section, the Corporation shall—

“(1) provide a guarantee only with respect to an individual pool of qualified loans on application of a certified facility;

“(2) provide a guarantee only if a reserve, or retained subordinated participating interests, in an amount equal to at least 10 percent of the outstanding principal amount of the loans constituting the pool has been established in accordance with this subchapter;

“(3) require that full recourse be taken against reserves and retained subordinated participating inter-

ests before any demand be made by the certified facility with respect to the guarantee of the Corporation; and

“(4) ensure the timely receipt of principal and interest due to security or obligation holders only after full recourse has been taken against such reserves and retained subordinated participating interests.”

Subsec. (b)(4) to (6). Pub. L. 104-105, §109(b)(4), redesignated pars. (5) and (6) as (4) and (5), respectively, and struck out heading and text of former par. (4). Text read as follows: “The facility shall comply with the standards adopted by the Board under subsection (c) of this section in establishing and maintaining the pool.”

Subsec. (c). Pub. L. 104-105, §109(a), redesignated subsec. (e) as (c) and struck out heading and text of former subsec. (c) which related to standards requiring diversified pools, including establishment of minimum criteria for pools of qualified loans, provisions to encourage loans to small farms and family farmers, and requirements for congressional review of standards.

Subsec. (d). Pub. L. 104-105, §109(a)(2), redesignated subsec. (f) as (d). Former subsec. (d) redesignated (b).

Subsec. (d)(4) to (7). Pub. L. 104-105, §107(2), redesignated pars. (5) to (7) as (4) to (6), respectively, and struck out heading and text of former par. (4). Text read as follows: “Each loan in the pool shall have been sold to the certified facility without recourse to the originator of such loan (other than recourse to any interest of such originator in a reserve established in connection with such loan or any subordinated participating interest of such originator in such loan).”

Subsecs. (e), (f). Pub. L. 104-105, §109(a)(2), redesignated subsecs. (f) and (g) as (d) and (e), respectively. Former subsec. (e) redesignated (c).

Subsec. (g). Pub. L. 104-105, §109(a)(2), redesignated subsec. (g) as (e).

Subsec. (g)(2). Pub. L. 104-105, §107(3), substituted “2279aa(9) of this title” for “2279aa(9)(B) of this title”.

1991—Subsec. (g). Pub. L. 102-237 added subsec. (g).

1988—Subsec. (a)(1). Pub. L. 100-399, §601(f), substituted “represents interests solely in, or obligations fully backed by, any pool consisting solely of qualified loans which meet the standards established under section 2279aa-8 of this title and which are” for “represents interests in, or obligations backed by, any pool of qualified loans”.

Subsec. (e). Pub. L. 100-399, §601(g), redesignated par. (3) as (2) and struck out former par. (2) which read as follows: “registration requirements (if any) with respect to such securities; and”.

Subsec. (f)(1). Pub. L. 100-399, §601(h), substituted “date of the enactment” for “effective date”, both of which for purposes of codification were translated as “January 6, 1988.”.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

#### 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.

### § 2279aa-7. Repealed. Pub. L. 104-105, title I, § 108(b), Feb. 10, 1996, 110 Stat. 164

Section, Pub. L. 92-181, title VIII, §8.7, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1698, related to reserves and subordinated participation interests of certified facilities, including provisions relating to cash contributions, retention of subordinated participation interests, additional requirements relating to reserves under section 2279aa-6(b)(2) of this title, and authority of Board of Directors of Federal Agricultural

Mortgage Corporation to establish other policies and procedures.

### § 2279aa-8. Standards for qualified loans

#### (a) Standards

##### (1) In general

The Corporation shall establish underwriting, security appraisal, and repayment standards for qualified loans taking into account the nature, risk profile, and other differences between different categories of qualified loans.

##### (2) Supervision, examination, and report of condition

The standards shall be subject to the authorities of the Farm Credit Administration under section 2279aa-11 of this title.

##### (3) Mortgage loans

In establishing standards for qualified loans, the Corporation shall confine corporate operations, so far as practicable, to mortgage loans that are deemed by the Board to be of such quality so as to meet, substantially and generally, the purchase standards imposed by private institutional mortgage investors.

#### (b) Minimum criteria

To further the purpose of this subchapter to provide a new source of long-term fixed rate financing to assist farmers and ranchers to purchase agricultural real estate, the standards established by the Board pursuant to subsection (a) with respect to loans secured by agricultural real estate shall, at a minimum—

(1) provide that no agricultural mortgage loan with a loan-to-value ratio in excess of 80 percent may be treated as a qualified loan;

(2) require each borrower to demonstrate sufficient cash-flow to adequately service the agricultural mortgage loan;

(3) contain sufficient documentation standards;

(4) contain adequate standards to protect the integrity of the appraisal process with respect to any agricultural mortgage loans;

(5) contain adequate standards to ensure that the farmer or rancher is or will be actively engaged in agricultural production, and require the borrower to certify to the originator that the borrower intends to continue agricultural production on the farm or ranch involved;

(6) minimize speculation in agricultural real estate for nonagricultural purposes; and

(7) in establishing the value of agricultural real estate, consider the purpose for which the real estate is taxed.

#### (c) Loan amount limitation

##### (1) In general

A loan secured by agricultural real estate may not be treated as a qualified loan if the principal amount of such loan exceeds \$2,500,000, adjusted for inflation, except as provided in paragraph (2).

##### (2) Acreage exception

Paragraph (1) shall not apply with respect to any agricultural mortgage loan described in such paragraph if such loan is secured by agricultural real estate that, in the aggregate, comprises not more than 1,000 acres.

#### (d) Nondiscrimination requirement

The standards established under subsection (a) shall not discriminate against small originators or small agricultural mortgage loans that are at least \$50,000. The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.

(Pub. L. 92-181, title VIII, § 8.8, as added Pub. L. 100-233, title VII, § 702, Jan. 6, 1988, 101 Stat. 1700; amended Pub. L. 100-399, title VI, § 601(i), Aug. 17, 1988, 102 Stat. 1005; Pub. L. 104-105, title I, § 110, Feb. 10, 1996, 110 Stat. 165; Pub. L. 110-234, title V, § 5406(c), May 22, 2008, 122 Stat. 1158; Pub. L. 110-246, § 4(a), title V, § 5406(c), June 18, 2008, 122 Stat. 1664, 1920.)

#### CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

#### AMENDMENTS

2008—Subsec. (a). Pub. L. 110-246, § 5406(c)(1), added pars. (1) and (2), designated last sentence as par. (3) and inserted heading, and struck out former first sentence which read as follows: “Not later than 120 days after the appointment and election of the permanent Board, the Corporation, in consultation with originators, shall establish uniform underwriting, security appraisal, and repayment standards for qualified loans.”

Subsec. (b). Pub. L. 110-246, § 5406(c)(2)(A), inserted “with respect to loans secured by agricultural real estate” after “subsection (a)” in introductory provisions.

Subsec. (b)(5). Pub. L. 110-246, § 5406(c)(2)(B), substituted “ensure that the farmer or rancher” for “ensure that the borrower” and “farm or ranch” for “site”.

Subsec. (c)(1). Pub. L. 110-246, § 5406(c)(3), inserted “secured by agricultural real estate” after “A loan”.

Subsecs. (d), (e). Pub. L. 110-246, § 5406(c)(4), (5), redesignated subsec. (e) as (d) and struck out former subsec. (d). Prior to amendment, text read as follows: “No standard prescribed under subsection (a) shall take effect before the later of—

“(1) the end of a period consisting of 30 legislative days and beginning on the date such standards are submitted to the Congress; or

“(2) the end of a period consisting of 90 calendar days and beginning on such date.”

1996—Subsec. (e). Pub. L. 104-105 inserted at end “The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.”

1988—Subsec. (a). Pub. L. 100-399 inserted “permanent” after “appointment and election of the”.

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

#### 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.

### § 2279aa-9. Exemption from restructuring and borrowers rights provisions for pooled loans

#### (a) Restructuring

Notwithstanding any other provision of law, sections 2202, 2202a, 2202b, 2202c, 2202d, and 2219a