

The Federal Deposit Insurance Act, referred to in subsec. (a), is act Sept. 21, 1950, ch. 967, §2, 64 Stat. 873, as amended, which is classified generally to chapter 16 (§1811 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.

#### AMENDMENTS

1996—Subsec. (a). Pub. L. 104-105 substituted “during each 18-month period” for “each year” in first sentence.

1992—Subsec. (a). Pub. L. 102-552, §512, substituted “may include, if appropriate” for “shall include” in third sentence.

Subsec. (d). Pub. L. 102-552, §513(b), added subsec. (d).  
1990—Subsec. (a). Pub. L. 101-624 inserted after third sentence “Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.”

1988—Subsec. (a). Pub. L. 100-399, §416(c), substituted “at least once every three years” for “at least once every 5 years”.

Pub. L. 100-233, §432(b), substituted “Except for Federal land bank associations, each” for “Each”, substituted “the Board” for “the Chairman of the Board” in two places, and inserted after first sentence “Each Federal land bank association shall be examined by Farm Credit Administration examiners at such times as the Farm Credit Administration Board may determine, except that each such association shall be examined at least once every 5 years.”

Subsec. (b). Pub. L. 100-233, §205(b), designated existing provisions as par. (1) and added pars. (2) and (3).

Subsec. (b)(2). Pub. L. 100-399, §204, substituted “the third sentence of paragraph (1)” for “this section”.

1986—Subsec. (b). Pub. L. 99-509 substituted second and third sentences for former second sentence which read as follows: “Each such report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as the Farm Credit Administration by regulation may require.”

1985—Pub. L. 99-205 in amending section generally, revised and restated existing provisions in subsec. (a) and added subssecs. (b) and (c). Prior to amendment, section read as follows: “Except as provided herein, each institution of the System, and each of their agents, at such times as the Governor of the Farm Credit Administration may determine, shall be examined and audited by farm credit examiners under the direction of an independent chief Farm Credit Administration examiner, but each bank and each production credit association shall be examined and audited not less frequently than once each year. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of this chapter and in servicing all eligible borrowers. If the Governor determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, and in accordance with generally accepted auditing standards. Upon request of the Governor or any bank of the System, farm credit examiners shall also make examinations and written reports of the condition of any organization, other than national banks, to which, or with which, any institution of the System contemplates making a loan or discounting paper of such organization. For the purposes of this chapter, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act [12 U.S.C. 21 et seq.], the Federal Reserve Act [12 U.S.C. 221 et seq.], the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.], and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.”

#### 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.

#### EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-205 effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as a note under section 2001 of this title.

#### RESTRAINT BY FEDERAL BANK REGULATORY AGENCIES IN OVERSEEING AGRICULTURAL BORROWERS

Pub. L. 99-198, title XIII, §1326, Dec. 23, 1985, 99 Stat. 1540, provided that:

“(a) Congress finds and declares that—

“(1) high production costs and low commodity prices have combined to reduce farm income to the lowest levels since the depths of the Depression in the 1930’s, to subject many agricultural producers, through no fault of their own, to severe economic hardship, and in many cases temporarily but seriously to impair producers’ ability to meet loan repayment schedules in a timely fashion; and

“(2) a policy of adverse classification of agricultural loans by bank examiners under these circumstances will trigger a wave of foreclosures and similar actions on the part of banks, thereby depressing land values and prices for agricultural facilities and equipment and having a devastating effect on farmers and the banking industry, and upon rural areas of the United States in general.

“(b) It is therefore the sense of Congress that the Federal bank regulatory agencies should ensure, in their examination procedures, that examiners exercise caution and restraint and give due consideration not only to the current cash flow of agricultural borrowers under financial stress, but to factors such as their loan collateral and ultimate ability to repay as well, for so long as the adverse economic effects of the cost-price squeeze of recent years continue to impair the ability of these borrowers to meet scheduled repayments on their loans.”

#### § 2255. Conditions of other banks and lending institutions

The Comptroller of the Currency is authorized and directed, upon request of the Farm Credit Administration to furnish for confidential use of an institution of the System such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which such institution of the System has made or contemplates making discounts or loans and to make such further examination, as may be agreed, of organizations through, for, or with which such institution of the Farm Credit System has made or contemplates making discounts or loans.

(Pub. L. 92-181, title V, §5.20, formerly §5.21, Dec. 10, 1971, 85 Stat. 623; renumbered §5.20, Pub. L. 99-205, title II, §203(b), Dec. 23, 1985, 99 Stat. 1694.)

#### PRIOR PROVISIONS

A prior section 5.20 of Pub. L. 92-181 was renumbered section 5.19 and is classified to section 2254 of this title.

#### § 2256. Consent to the availability of reports and to examinations

Any organization other than State banks, trust companies, and savings associations shall, as a condition precedent to securing discount privileges with a bank of the Farm Credit System, file with such bank its written consent to examination by farm credit examiners as may