

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.

STATEMENT OF PURPOSE

Pub. L. 100-233, title VII, §701, Jan. 6, 1988, 101 Stat. 1686, provided that: "It is the purpose of this subtitle [subtitle A (§§701-705) of title VII of Pub. L. 100-233, enacting this subchapter, amending sections 2012, 2033, 2072, and 2093 of this title and section 9105 of Title 31, Money and Finance, and enacting provisions set out as a note below]—

- "(1) to establish a corporation chartered by the Federal Government;
- "(2) to authorize the certification of agricultural mortgage marketing facilities by the corporation;
- "(3) to provide for a secondary marketing arrangement for agricultural real estate mortgages that meet the underwriting standards of the corporation—
 - "(A) to increase the availability of long-term credit to farmers and ranchers at stable interest rates;
 - "(B) to provide greater liquidity and lending capacity in extending credit to farmers and ranchers; and
 - "(C) to provide an arrangement for new lending to facilitate capital market investments in providing long-term agricultural funding, including funds at fixed rates of interest; and
 - "(4) to enhance the ability of individuals in small rural communities to obtain financing for moderate-priced homes."

GAO STUDIES

Pub. L. 100-233, title VII, §704, Jan. 6, 1988, 101 Stat. 1706, as amended by Pub. L. 100-399, title VI, §603, Aug. 17, 1988, 102 Stat. 1006, directed Comptroller General of United States to conduct studies of (1) implementation of amendments made by subtitle A (§§701-705) of title VII of Pub. L. 100-233 (which enacted this subchapter and amended sections 2012, 2033, 2072, and 2093 of this title and section 9105 of Title 31, Money and Finance) by Federal Agricultural Mortgage Corporation and effect of operations of Corporation on producers, Farm Credit System, and other lenders, and capital markets, (2) feasibility and appropriateness of promoting establishment of a secondary market for securities representing interests in, or obligations backed by, pools of agricultural real estate loans for which a guarantee had not been provided by Federal Agricultural Mortgage Corporation, and (3) feasibility of expanding authority granted under amendments made by such subtitle A to authorize sale of securities based on or backed by a trust or pool consisting of loans made to farm-related and rural small businesses, and required, not later than Jan. 6, 1990, Comptroller General to transmit to Congress a report on the studies, including therein such recommendations for administrative action and legislation as might be appropriate.

PART A—ESTABLISHMENT AND ACTIVITIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION

§ 2279aa-1. Federal Agricultural Mortgage Corporation

(a) Establishment

(1) In general

There is hereby established a corporation to be known as the Federal Agricultural Mortgage Corporation, which shall be a federally chartered instrumentality of the United States.

(2) Institution within Farm Credit System

The Corporation shall be an institution of the Farm Credit System.

(3) Liability

(A) Corporation

The Corporation shall not be liable for any debt or obligation of any other institution of the Farm Credit System.

(B) System institutions

The Farm Credit System and System institutions (other than the Corporation) shall not be liable for any debt or obligation of the Corporation.

(b) Duties

The Corporation shall—

- (1) in consultation with originators, develop uniform underwriting, security appraisal, and repayment standards for qualified loans;
- (2) determine the eligibility of agricultural mortgage marketing facilities to contract with the Corporation for the provision of guarantees for specific mortgage pools;
- (3) provide guarantees for the timely repayment of principal and interest on securities representing interests in, or obligations backed by, pools of qualified loans; and
- (4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.

(Pub. L. 92-181, title VIII, §8.1, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1687; amended Pub. L. 104-105, title I, §103, Feb. 10, 1996, 110 Stat. 163.)

AMENDMENTS

1996—Subsec. (b)(4). Pub. L. 104-105 added par. (4).

§ 2279aa-2. Board of directors

(a) Interim board

(1) Number and appointment

Until the permanent board of directors established in subsection (b) first meets with a quorum of its members present, the Corporation shall be under the management of an interim board of directors composed of 9 members appointed by the President within 90 days after January 6, 1988, as follows:

- (A) 3 members appointed from among persons who are representatives of banks, other financial institutions or entities, and insurance companies.
- (B) 3 members appointed from among persons who are representatives of the Farm Credit System institutions.
- (C) 2 members appointed from among persons who are farmers or ranchers who are not serving, and have not served, as directors or officers of any financial institution or entity, of which not more than 1 may be a stockholder of any Farm Credit System institution.
- (D) 1 member appointed from among persons who represent the interests of the general public and are not serving, and have not served, as directors or officers of any financial institution or entity.

(2) Political affiliation

Not more than 5 members of the interim board shall be of the same political party.