

100-233, title VIII, §§ 802(r), 805(n), Jan. 6, 1988, 101 Stat. 1712, 1716.)

#### AMENDMENTS

1988—Subsec. (a). Pub. L. 100-233, §§ 802(r)(1), 805(n)(1), (5), redesignated subsec. (b) as (a), substituted “(b) and (c)” for “(c) and (d)”, struck out “as may be approved by the Farm Credit Administration” after “payment of operating expenses”, and struck out at end “If during the fiscal year but not at the end thereof a bank shall have had outstanding capital stock held by the United States, provision will be made for payment of franchise taxes required in section 2151 of this title.”

Subsec. (b). Pub. L. 100-233, §§ 802(r)(2), 805(n)(2), (5), redesignated subsec. (c) as (b) and substituted “(a) of this section” for “(b) of this section, whichever is applicable.”, “(c) below” for “(d) below”, and “may be approved by the board of directors” for “the Farm Credit Administration may approve”. Former subsec. (b) redesignated (a).

Subsec. (c). Pub. L. 100-233, §§ 802(r)(3), 805(n)(3), (5), redesignated subsec. (d) as (c) and substituted “(a) of this section” for “(b) of this section whichever is applicable.” and “may be approved by the board of directors” for “the Farm Credit Administration may approve”. Former subsec. (c) redesignated (b).

Subsecs. (d), (e). Pub. L. 100-233, § 805(n)(5), redesignated subsecs. (e) and (f) as (d) and (e), respectively. Former subsec. (d) redesignated (c).

Subsecs. (f), (g). Pub. L. 100-233, § 805(n)(4), (5), redesignated subsec. (g) as (f), substituted “A bank for cooperatives” for “For any year that a bank for cooperatives is subject to Federal income tax, it”, and struck out “or (b)” after “subsection (a)”. Former subsec. (f) redesignated (e).

1985—Subsec. (a). Pub. L. 99-205, § 205(e)(7), struck out subsec. (a) which provided for application of savings when bank for cooperatives has outstanding stock held by the Governor.

Subsec. (b). Pub. L. 99-205, § 205(e)(8)(A), substituted “At the end of each fiscal year, the net” for “Whenever at the end of any fiscal year a bank for cooperatives shall have no outstanding capital stock held by the Governor of the Farm Credit Administration, the net”.

Subsecs. (c), (d). Pub. L. 99-205, § 205(e)(8)(B), substituted “subsection (b) of this section” for “subsection (a) or (b) of this section”.

1980—Subsec. (b). Pub. L. 96-592, § 308(1), struck out provisions relating to 25 per centum requirement for net savings.

Subsec. (c). Pub. L. 96-592, § 308(2), inserted applicability to participation certificates and to borrowers to whom refunds are payable.

#### 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.

### § 2133. Distribution of assets on liquidation or dissolution

In the case of liquidation or dissolution of any bank for cooperatives, after payment or retirement, first, of all liabilities; second, of all capital stock issued before January 1, 1956, at par, and all nonvoting stock at par; and third, all voting stock at par; any surplus and reserves existing on January 1, 1956, shall be paid to the holders of stock issued before that date, and voting stock pro rata; and any remaining allocated surplus and reserves shall be distributed to those entities to which they are allocated on the books of the bank, and any other remaining surplus shall be paid to the holders of outstanding voting stock. If it should become necessary to use any surplus or reserves to pay any liabilities

or to retire any capital stock, unallocated reserves or surplus, allocated reserves and surplus shall be exhausted in accordance with rules prescribed by the Farm Credit Administration.

(Pub. L. 92-181, title III, § 3.12, Dec. 10, 1971, 85 Stat. 608; Pub. L. 99-205, title II, § 205(e)(9), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, § 805(o), Jan. 6, 1988, 101 Stat. 1716.)

#### AMENDMENTS

1988—Pub. L. 100-233 inserted “the” before “Farm Credit Administration”.

1985—Pub. L. 99-205 struck out “, any stock held by the Governor of the Farm Credit Administration at par” before “, and all nonvoting stock at par”, and struck out “stock held by the Governor of the Farm Credit Administration,” before “and voting stock pro rata” in first sentence.

#### 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.

### § 2134. Taxation

Each bank for cooperatives and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such bank shall be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority, except that interest on such obligations shall be subject to Federal income taxation in the hands of the holder.

(Pub. L. 92-181, title III, § 3.13, Dec. 10, 1971, 85 Stat. 608; Pub. L. 99-205, title II, § 205(e)(10), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, § 805(p), Jan. 6, 1988, 101 Stat. 1716.)

#### AMENDMENTS

1988—Pub. L. 100-233 inserted before period at end “, except that interest on such obligations shall be subject to Federal income taxation in the hands of the holder”.

1985—Pub. L. 99-205 struck out last two sentences relating to exemption of banks for cooperatives and their property, franchises, capital, reserves, surplus, other funds, and income from Federal and non-Federal taxation except for Federal income taxation of interest on obligations of such banks and for Federal and non-Federal taxation of real and tangible personal property of such banks to same extent as similar property is taxed, and making such exemption provisions applicable only for any year or part thereof in which stock in such banks was held by the Governor of the Farm Credit Administration.

#### 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.

## PART B—UNITED AND NATIONAL BANKS FOR COOPERATIVES

### § 2141. Charter, powers, and operation

#### (a) Charter

The National Bank for Cooperatives or the United Bank for Cooperatives, as the case may be (hereinafter in this part referred to as the “consolidated bank”), established under section