

of the principal outstanding on a loan made to any borrower, the association shall cancel the same dollar amount of borrower stock held by the borrower in respect of the loan, up to the total amount of such stock.

**(c) Retention of stock**

Notwithstanding subsections (a) and (b), the borrower shall be entitled to retain at least one share of stock to maintain the borrower's membership and voting interest in the association.

(Pub. L. 92-181, title IV, § 4.14B, as added Pub. L. 100-233, title I, § 102(a), Jan. 6, 1988, 101 Stat. 1577; amended Pub. L. 100-399, title I, § 102(g), Aug. 17, 1988, 102 Stat. 990.)

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-399 substituted in subsec. heading "Farm Credit Bank" for "Federal land bank" and in text "a Farm Credit Bank" for "a Federal land bank" and ", to the extent provided for in the by-laws of the bank relating to capitalization, the bank shall" for "the Federal land bank shall".

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

**§ 2202c. Review of restructuring denials**

**(a) Requirements for restructuring by System institutions**

**(1) Existing nonaccrual loans**

Within 9 months after a qualified lender is certified under section 2278a-4 of this title, such lender shall review each loan that has not been previously restructured and that is in nonaccrual status on the date the lender is certified, and determine whether to restructure the loan.

**(2) New nonaccrual loans**

Within 6 months after a loan made by a certified lender is placed in nonaccrual status, the lender shall determine whether to restructure the loan.

**(b) Special asset groups**

**(1) Establishment**

Within 30 days after a qualified lender in a district is certified to issue preferred stock under section 2278b-7 of this title, the Farm Credit Bank board shall establish a special asset group that shall review each determination by the lender not to restructure a loan.

**(2) Restructuring plan**

If a special asset group determines under paragraph (1) that a loan under review should be restructured, the group shall prescribe a restructuring plan for the loan that the qualified lender shall implement.

**(c) National Special Asset Council**

**(1) Establishment**

A National Special Asset Council shall be established by the Assistance Board to—

(A) monitor compliance with the restructuring requirements of this section by qualified lenders certified to issue preferred stock

under section 2278b-7 of this title, and by special asset groups established under subsection (b); and

(B) review a sample of determinations made by each special asset group that a loan will not be restructured.

**(2) Review of determination**

The National Special Asset Council shall review a sufficient number of determinations made by each special asset group to foreclose on any loan to assure the Council that such group is complying with this section. With regard to each determination reviewed, the Council shall make an independent judgment on the merits of the decision to foreclose rather than restructure the loan.

**(3) Noncompliance**

If the National Special Asset Council determines that any special asset group is not in substantial compliance with this section, the Council shall notify the group of the determination, and may take such other action as the Council considers necessary to ensure that such group complies with this section.

**(d) Report**

With respect to determinations by a special asset group that a loan will not be restructured, the special asset group shall submit to the National Special Asset Council a report evaluating the loan and the basis for the determination that the loan should not be restructured.

**(e) Restructuring factors**

In determining whether a loan is to be restructured, the National Special Asset Council, each special asset group, and each qualified lender certified under section 2278a-4 of this title shall take into consideration the factors specified in section 2202a(d)(1) of this title.

(Pub. L. 92-181, title IV, § 4.14C, as added Pub. L. 100-233, title I, § 102(a), Jan. 6, 1988, 101 Stat. 1578; amended Pub. L. 100-399, title I, § 102(h), Aug. 17, 1988, 102 Stat. 990.)

AMENDMENTS

1988—Subsec. (b)(1). Pub. L. 100-399 substituted "Farm Credit Bank board" for "district board of such district".

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

**§ 2202d. Protection of borrowers who meet all loan obligations**

**(a) Foreclosure prohibited**

A qualified lender may not foreclose on any loan because of the failure of the borrower thereof to post additional collateral, if the borrower has made all accrued payments of principal, interest, and penalties with respect to the loan.

**(b) Prohibition against required principal reduction**

A qualified lender may not require any borrower to reduce the outstanding principal bal-