

lar entity under this section without the approval of the supervising Farm Credit Bank of the association.”

**§ 2207. Young, beginning, and small farmers and ranchers**

(a) Under policies of the district Farm Credit Bank board, each Federal land bank association and production credit association shall prepare a program for furnishing sound and constructive credit and related services to young, beginning, and small farmers and ranchers. Such programs shall assure that such credit and services are available in coordination with other units of the Farm Credit System serving the territory and with other governmental and private sources of credit. Each program shall be subject to review and approval by the supervising bank.

(b) The Farm Credit Bank for each district shall annually obtain from associations under its supervision reports of activities under programs developed pursuant to subsection (a) and progress toward program objectives. On the basis of such reports, the bank shall provide to the Farm Credit Administration an annual report summarizing the operations and achievements in its district under such programs.

(Pub. L. 92-181, title IV, § 4.19, as added Pub. L. 96-592, title IV, § 403, Dec. 24, 1980, 94 Stat. 3446; amended Pub. L. 100-399, title IX, § 901(i), (j), Aug. 17, 1988, 102 Stat. 1007.)

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-399, § 901(i), inserted “Farm Credit Bank” after “district”.

Subsec. (b). Pub. L. 100-399, § 901(j), substituted “The Farm Credit Bank for each district” for “The Federal land bank and the Federal intermediate credit bank for each district”, “under its supervision” for “under their supervision”, “subsection (a)” for “subsection (a) of this section”, “the bank shall” for “the banks shall”, “an annual report” for “a joint annual report”, and “achievements in its district” for “achievements in their 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.

**§ 2208. Prohibition against use of signed ballots**

In any election or merger vote, or other proceeding subject to a vote of the stockholders (or subscribers to the guaranty fund of a bank for cooperatives), conducted by a lending institution of the Farm Credit System, the institution—

- (1) may not use signed ballots; and
- (2) shall implement measures to safeguard the voting process for the protection of the right of stockholders (or subscribers) to a secret ballot.

(Pub. L. 92-181, title IV, § 4.20, as added Pub. L. 96-592, title IV, § 403, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 100-233, title IV, § 425, Jan. 6, 1988, 101 Stat. 1657.)

AMENDMENTS

1988—Pub. L. 100-233 amended section generally. Prior to amendment, section read as follows: “The provisions of (1) section 2074 of this title authorizing the Federal

intermediate credit banks to lend to or discount paper for other financial institutions, and (2) section 2128(b) of this title authorizing the financing of certain domestic or foreign entities in connection with the import or export activities of cooperatives which are borrowers from the banks for cooperatives, shall expire on September 30, 1990, unless extended by Act of Congress prior to that date. Any contract or agreement entered into under the authority of either provision prior to its expiration shall remain in full force and effect notwithstanding such expiration.”

**§ 2209. Compensation of bank directors**

**(a) In general**

The Farm Credit Administration shall monitor the compensation of members of the board of directors of a System bank received as compensation for serving as a director of the bank to ensure that the amount of the compensation does not exceed a level of \$20,000 per year, as adjusted to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, unless the Farm Credit Administration determines that such level adversely affects the safety and soundness of the bank.

**(b) Waiver**

The Farm Credit Administration may waive the limitation prescribed in subsection (a) under exceptional circumstances, as determined in accordance with regulations promulgated by the Farm Credit Administration.

(Pub. L. 92-181, title IV, § 4.21, as added Pub. L. 100-399, title IV, § 414, Aug. 17, 1988, 102 Stat. 1004; amended Pub. L. 102-552, title V, § 509, Oct. 28, 1992, 106 Stat. 4132.)

AMENDMENTS

1992—Pub. L. 102-552 amended section generally. Prior to amendment, section read as follows: “No member of the board of directors of a System bank may receive more than \$15,000 per year under this chapter as compensation for serving as a director of such bank.”

EFFECTIVE DATE

Section 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 an Effective Date of 1988 Amendment note under section 2002 of this title.

PART E—SERVICE ORGANIZATIONS

CODIFICATION

Pub. L. 100-233, title VIII, § 805(t)(2), Jan. 6, 1988, 101 Stat. 1716, redesignated part D as E.

**§ 2211. Establishment**

Any bank of the Farm Credit System, or two or more of such banks acting together, may organize a corporation or corporations for the purpose of performing functions and services for or on behalf of the organizing bank or banks that the bank or banks may perform pursuant to this chapter: *Provided*, That a corporation so organized shall have no authority either to extend credit or provide insurance services for borrowers from Farm Credit System institutions, nor shall it have any greater authority with respect to functions and services than the organizing bank or banks possess under this chapter. The organizing bank or banks shall apply for a Fed-

eral charter for the corporation by forwarding to the Farm Credit Administration a statement of the need for the corporation and proposed articles specifying in general terms the objectives for which the corporation is formed, the powers to be exercised by it in carrying out the functions and services, and the territory it is to serve. The Farm Credit Administration for good cause may deny the charter applied for. Upon the approval of articles by the Farm Credit Administration and the issuance of a charter, the corporation shall become as of such date a federally chartered body corporate and an instrumentality of the United States.

(Pub. L. 92-181, title IV, § 4.25, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(8), Dec. 23, 1985, 99 Stat. 1706.)

#### AMENDMENTS

1985—Pub. L. 99-205 struck out “the Governor of” before “the Farm Credit Administration” in second sentence and substituted “Farm Credit Administration” for “Governor” in third and fourth sentences.

#### 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.

### § 2212. Powers of Farm Credit Administration

The Farm Credit Administration shall have power, under rules and regulations prescribed by the Farm Credit Administration, to provide for the organization of any corporation chartered under this part and the territory within which its operations may be carried on, and to approve amendments consistent with this chapter to charters or articles of service corporations.

(Pub. L. 92-181, title IV, § 4.26, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(9), Dec. 23, 1985, 99 Stat. 1706; Pub. L. 100-233, title VIII, § 802(s), Jan. 6, 1988, 101 Stat. 1712.)

#### AMENDMENTS

1988—Pub. L. 100-233 struck out “or by prescribing in the terms of the charter or by approval of the bylaws of the corporation” after second reference to Farm Credit Administration, substituted “approve amendments consistent with this chapter to charters or articles of service corporations” for “direct at any time such changes in its charter as the Farm Credit Administration finds necessary for the accomplishment of the purposes of this chapter”, and struck out last sentence which read as follows: “The powers of the Farm Credit Administration to provide for the organization of any corporation chartered under this part include, but are not limited to approval of—

- “(1) corporate title;
- “(2) general corporate powers;
- “(3) eligibility for membership on, and the powers, composition, selection, terms, and compensation of the board of directors;
- “(4) classes, issuance, value, and retirement of stock;
- “(5) sources of operating funds;
- “(6) dissolution, liquidation, and distribution of assets on liquidation; and
- “(7) application and distribution of earnings.”

1985—Pub. L. 99-205 substituted “Farm Credit Administration” for “Governor” in heading and wherever appearing in text, and substituted “the Federal Credit Administration” for “he” before “finds necessary” 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.

### § 2213. Regulation and examination

The corporations organized under this part shall be institutions of the Farm Credit System and shall be subject to the same regulation and examination by the Farm Credit Administration as are the organizing bank or banks under this chapter.

(Pub. L. 92-181, title IV, § 4.27, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3447; amended Pub. L. 99-205, title II, § 205(f)(10), Dec. 23, 1985, 99 Stat. 1706; Pub. L. 100-233, title VIII, § 802(t), Jan. 6, 1988, 101 Stat. 1712.)

#### AMENDMENTS

1988—Pub. L. 100-233 substituted “Regulation” for “Supervision” in section catchline.

1985—Pub. L. 99-205 substituted “regulation” for “supervision”.

#### 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.

### § 2214. State laws

State and other laws shall apply to corporations organized pursuant to this part to the same extent such laws would apply to the organizing banks engaged in the same activity in the same jurisdiction: *Provided, however*, That to the extent that sections 2023, 2098, and 2134 of this title may exempt banks or associations of the Farm Credit System from taxation, such exemptions, other than with respect to franchise taxes, shall not extend to corporations organized pursuant to this part.

(Pub. L. 92-181, title IV, § 4.28, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3448; amended Pub. L. 100-399, title IX, § 901(k), Aug. 17, 1988, 102 Stat. 1007; Pub. L. 102-237, title V, § 502(g), Dec. 13, 1991, 105 Stat. 1869.)

#### AMENDMENTS

1991—Pub. L. 102-237 made technical amendment to reference to section 2098 of this title to reflect change in reference to corresponding section of original act.

1988—Pub. L. 100-399 inserted “or associations” and substituted “2023, 2098,” for “2055, 2079.”

#### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(4) of Pub. L. 102-237, set out as a note under section 1421 of Title 7, Agriculture.

#### 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.

### § 2214a. “Bank” defined

In this part, the term “bank” includes each association operating under subchapter II.