

amended Pub. L. 100-399, title II, §201(k), (l), Aug. 17, 1988, 102 Stat. 991; Pub. L. 102-552, title III, §301, Oct. 28, 1992, 106 Stat. 4107.)

REFERENCES IN TEXT

Sections 2216f and 2216g of this title, referred to in subsec. (c), were repealed by Pub. L. 100-233, title II, §207(a)(3), Jan. 6, 1988, 101 Stat. 1607, effective 15 days after Jan. 6, 1988.

The Agricultural Credit Act of 1987, referred to in subsec. (e)(5), is Pub. L. 100-233, Jan. 6, 1988, 101 Stat. 1568, as amended. For complete classification of this Act to the Code see Short Title of 1988 Amendment note set out under section 2001 of this title and Tables.

AMENDMENTS

1992—Subsec. (e)(3)(C). Pub. L. 102-552, §301(1), added subpar. (C) and struck out former subpar. (C) which read as follows:

“(C) PAYMENT OF PRINCIPAL.—After the end of the 15-year period beginning on the date of the issuance of any obligation issued to carry out this subsection, the banks operating under this chapter shall pay to the Financial Assistance Corporation, on demand, an amount equal to the outstanding principal of such obligation. Each bank shall pay a proportion of such principal equal to—

“(i) the average accruing loan volume of the bank for the preceding 15 years; divided by

“(ii) the average accruing loan volume of all banks of the System for the same period.”

Subsec. (e)(3)(D). Pub. L. 102-552, §301(2), (3), added subpar. (D) and redesignated former subpar. (D) as (E).

Subsec. (e)(3)(E). Pub. L. 102-552, §301(2), (4), redesignated subpar. (D) as (E) and inserted before period at end “, nor shall the obligation to make future annuity payments to the Financial Assistance Corporation under subparagraph (D) be considered a liability of any System bank”.

1988—Subsec. (a). Pub. L. 100-399, §201(k), inserted in heading “Assets and”.

Subsec. (e)(5). Pub. L. 100-399, §201(l), inserted “activation of” after “instruments,” and struck out closing quotation mark and following period, which for purposes of codification had been previously struck out requiring no change in text.

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.

§ 2278a-10. Effect of regulations; audits**(a) Issuance**

The Assistance Board may issue such regulations, policies, procedures, guidelines, or statements as the Board considers necessary or appropriate to carry out this subchapter, all of which shall be promulgated and enforced without regard to subchapter II of chapter 5 of title 5.

(b) Regulation by Farm Credit Administration

The Assistance Board shall not be subject to regulation by the Farm Credit Administration.

(c) Audits

The Assistance Board shall not require an audit or examination of a System institution that would be duplicative of an audit or examination that is conducted under other provisions of law.

(Pub. L. 92-181, title VI, §6.10, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594.)

§ 2278a-11. Exemption from taxation

The Assistance Board, the capital, reserves, and surplus thereof, and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes on real estate held by the Assistance Board to the same extent, according to its value, as other similar property held by other persons is taxed.

(Pub. L. 92-181, title VI, §6.11, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594.)

§ 2278a-12. Termination

The Assistance Board and the authority provided to the Assistance Board by this part shall terminate on December 31, 1992.

(Pub. L. 92-181, title VI, §6.12, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594; amended Pub. L. 100-399, title II, §201(m), Aug. 17, 1988, 102 Stat. 991.)

AMENDMENTS

1988—Pub. L. 100-399 inserted “to the Assistance Board” after “provided”.

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.

§ 2278a-13. Transitional provisions**(a) Exercise of powers**

The powers of the Assistance Board under this subchapter shall be exercised by the Farm Credit Administration Board until the issuance of the charter of the Assistance Board, or such later date not to exceed 30 days thereafter, as may be requested by the Assistance Board.

(b) Limitation on assistance

Any assistance provided to System institutions by the Farm Credit Administration in accordance with this section shall be provided from, and shall not exceed, the amounts contained in the revolving fund established under section 2151 of this title.

(c) Issuance of stock

Each institution that receives assistance from the Farm Credit Administration during the interim period specified in subsection (a), in consideration thereof, shall issue preferred stock to the Financial Assistance Corporation in an amount equal to the amount of such assistance. Payments by the Financial Assistance Corporation under subsection (d) shall be considered to be payments to each such institution for such stock.

(d) Repayment

The Financial Assistance Corporation shall pay to the Farm Credit Administration, for return to the revolving fund established under section 2151 of this title, the full amount of all financial assistance provided by the Farm Credit Administration in accordance with this section, from the proceeds from the sale of the first issue of obligations by the Financial Assistance Corporation in accordance with section 2278b-6 of this title.

(Pub. L. 92-181, title VI, § 6.13, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1594; amended Pub. L. 100-399, title II, § 201(n), Aug. 17, 1988, 102 Stat. 991.)

AMENDMENTS

1988—Subsec. (d). Pub. L. 100-399 inserted “, for return to the revolving fund established under section 2151 of this title,” before “the full”.

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.

PART B—FINANCIAL ASSISTANCE CORPORATION

§ 2278b. Establishment of Corporation

Not later than 5 days after January 6, 1988, the Farm Credit Administration shall charter the Farm Credit System Financial Assistance Corporation (hereinafter referred to in this chapter as the “Financial Assistance Corporation”) which shall be—

- (1) an institution of the Farm Credit System; and
- (2) a Federally chartered instrumentality of the United States.

(Pub. L. 92-181, title VI, § 6.20, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1595.)

FINANCIAL REPORT

Pub. L. 100-233, title II, § 206, Jan. 6, 1988, 101 Stat. 1607, provided that: “During the period beginning September 30, 2001, and ending December 31, 2001, the Farm Credit Administration shall review and evaluate the financial condition of the Farm Credit System and report to the Secretary of the Treasury and the appropriate committees of Congress on—

- “(1) the general financial condition of each System institution;
- “(2) the total outstanding principal of debt obligations issued under section 6.26 of the Farm Credit Act of 1971 (as added by section 201 of this Act) [12 U.S.C. 2278b-6]; and
- “(3) the ability of each System institution to retire, at par value, preferred stock issued by the institution in accordance with section 6.27 of the Farm Credit Act of 1971 (as added by section 201 of this Act) [12 U.S.C. 2278b-7].”

§ 2278b-1. Purpose

The purpose of the Financial Assistance Corporation shall be to carry out a program to provide capital to institutions of the Farm Credit System that are experiencing financial difficulty and to assist, pursuant to section 2278a-9(e) of this title and subsections (c) through (g) of section 2278b-6 of this title, in the repayment by System institutions to those persons who provided funds in connection with the program.

(Pub. L. 92-181, title VI, § 6.21, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1595; amended Pub. L. 102-552, title III, § 307(a), Oct. 28, 1992, 106 Stat. 4116.)

AMENDMENTS

1992—Pub. L. 102-552 inserted before period at end “and to assist, pursuant to section 2278a-9(e) of this title and subsections (c) through (g) of section 2278b-6 of this title, in the repayment by System institutions

to those persons who provided funds in connection with the program”.

§ 2278b-2. Board of Directors

(a) Board of Directors

(1) Composition

The Board of Directors of the Financial Assistance Corporation (hereinafter referred to in this part as the “Board of Directors”) shall consist of the Board of Directors of the Federal Farm Credit Banks Funding Corporation.

(2) Chairman

The Board of Directors shall elect annually a Chairman from among the members of the Board.

(3) Compensation

The members of the Board of Directors shall receive compensation for the time devoted to meetings and other activities of the Board and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board of Directors in amounts not exceeding levels set by the Farm Credit Administration Board.

(b) Rules and records

The Board of Directors shall adopt such rules as it may deem appropriate for the transaction of its business and shall keep permanent and accurate records and minutes of its acts and proceedings.

(c) Quorum required

No business may be conducted at a meeting of the Board of Directors unless a quorum of the members of the Board is present, and a vote to approve an action requires a majority vote of the members voting.

(d) Chief executive officer

A chief executive officer of the Financial Assistance Corporation shall be selected by the Board of Directors and shall serve at the pleasure of the Board.

(Pub. L. 92-181, title VI, § 6.22, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1595; amended Pub. L. 100-399, title II, § 201(o), Aug. 17, 1988, 102 Stat. 991.)

AMENDMENTS

1988—Subsec. (a)(1). Pub. L. 100-399 substituted “part” for “chapter”.

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.

§ 2278b-3. Stock

The Financial Assistance Corporation shall issue stock with a par value of \$5 to System institutions, as provided for in this part, and such stock shall not be transferable, except in the event of a restructuring or liquidation to a successor System institution.

(Pub. L. 92-181, title VI, § 6.23, as added Pub. L. 100-233, title II, § 201, Jan. 6, 1988, 101 Stat. 1595;