

(Pub. L. 92-181, title VI, §6.3, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1587; amended Pub. L. 100-399, title II, §201(a), (b), Aug. 17, 1988, 102 Stat. 990.)

AMENDMENTS

1988—Subsec. (a)(12). Pub. L. 100-399, §201(a), substituted “(within the meaning of section 1813 of this title)” for “(as defined in section 1813(b) of this title)”.

Subsec. (b). Pub. L. 100-399, §201(b), substituted “exclusive” for “original”.

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.

HIRING, PROMOTION, COMPENSATION, AND DISCHARGE OF EMPLOYEES

Pub. L. 102-341, title VI, Aug. 14, 1992, 106 Stat. 906, provided: “That officers and employees of the Farm Credit System Assistance Board shall be hired, promoted, compensated, and discharged in accordance with title 5, United States Code.”

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 102-142, title VI, Oct. 28, 1991, 105 Stat. 910.

Pub. L. 101-506, title V, Nov. 5, 1990, 104 Stat. 1345.

Pub. L. 101-161, title V, Nov. 21, 1989, 103 Stat. 981.

Pub. L. 100-460, title V, Oct. 1, 1988, 102 Stat. 2259.

§ 2278a-4. Certification of eligibility to issue preferred stock

(a) Book value less than par value of stock and equities

If the book value of the stock, participation certificates, and other similar equities of a System institution, based on generally accepted accounting principles, is less than the par value of the stock or the face value of the certificates or equities—

(1) the Farm Credit Administration shall notify the Assistance Board of such impairment;

(2) the Assistance Board shall monitor the financial condition, business plans, and operations of the institution; and

(3) the institution may request the Assistance Board to grant certification to issue preferred stock under section 2278b-7(a) of this title.

(b) Book value less than 75 percent of par value of stock and equities

If the book value of the stock, participation certificates, and other similar equities of a System institution, based on generally accepted accounting principles, is less than 75 percent of the par value of the stock or the face value of the certificates or equities, the institution shall request the Assistance Board to grant certification to issue preferred stock under section 2278b-7(a) of this title.

(c) Mandatory determination of eligibility

(1) In general

The Assistance Board shall determine whether to certify a System institution as eligible to issue preferred stock under section 2278b-7 of this title, if—

(A) the institution requests such certification;

(B) the book value of the stock, participation certificates, and other similar equities

of the institution, based on generally accepted accounting principles, has declined to 75 percent of the par value of the stock or the face value of the certificates or equities; and
(C) the institution agrees to meet the terms and conditions specified by the Assistance Board pursuant to section 2278a-6 of this title.

(2) Effective date of certification

If the determination of the Assistance Board is to certify the institution under paragraph (1), such certification shall be effective at the time of such determination.

(d) Implementation

As soon as practicable after January 6, 1988, the Assistance Board shall take such actions as are necessary to carry out this section.

(e) “Other similar equities” defined

Except where otherwise provided in this chapter, the term “other similar equities” includes allocated equities.

(Pub. L. 92-181, title VI, §6.4, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1588; amended Pub. L. 100-399, title II, §201(c), Aug. 17, 1988, 102 Stat. 991.)

AMENDMENTS

1988—Subsecs. (c) to (e). Pub. L. 100-399 redesignated second subsec. (c) and subsec. (d) as (d) and (e), respectively.

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-5. Assistance

(a) In general

The Assistance Board shall assist an institution that has been certified under section 2278a-4 of this title by—

(1) authorizing the institution to issue preferred stock under section 2278b-7 of this title, in amounts necessary to maintain the book value of stock, participation certificates, and other similar equities of the institution, at the level provided for in subsection (c);

(2) in the case of high-cost debt for which the institution is primarily liable, authorizing the institution to issue preferred stock under section 2278b-7 of this title, in an amount equal to the premium that would be required by the holder of the debt for the institution to retire the debt at the then current market value;

(3) on a request by the institution, authorizing the issuance of preferred stock under section 2278b-7 of this title to facilitate the merger of the requesting institution with one or more other System institutions; or

(4) providing assistance by such other methods as the Assistance Board determines appropriate.

(b) “High-cost debt” defined

For purposes of subsection (a)(2), the term “high-cost debt” means securities or similar obligations issued before January 1, 1986, that ma-