

(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;

amended Pub. L. 102-237, title V, §502(m), Dec. 13, 1991, 105 Stat. 1869.)

AMENDMENTS

1991—Pub. L. 102-237 inserted before period at end “, except in the event of a restructuring or liquidation to a successor System institution”.

§ 2278b-4. Corporate powers

(a) In general

The Financial Assistance Corporation shall have the power to—

(1) operate under the direction of its Board of Directors;

(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

(3) provide for such officers, employees, and agents, including joint employees with the Funding Corporation, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

(4) adopt a salary scale for officers and employees of the Financial Assistance Corporation, in accordance with the directives of the Board of Directors;

(5) prescribe by its Board of Directors by-laws, that are not inconsistent with law, and that shall provide for the manner in which—

(A) its officers, employees, and agents are selected;

(B) its property is acquired, held, and transferred;

(C) its general business is conducted; and

(D) the privileges granted by law are exercised and enjoyed;

(6) enter into contracts and make advance, progress, or other payments with respect to such contracts;

(7) sue and be sued in its corporate name and complain and defend in courts of competent jurisdiction;

(8) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to its business;

(9) obtain insurance against loss;

(10) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this part;

(11) borrow from any commercial bank on its own individual responsibility and on such terms and conditions as it may determine with the approval of the Farm Credit Administration;

(12) deposit its securities and its current funds with any member bank of the Federal Reserve System or any insured State non-member bank (within the meaning of section 1813 of this title) and pay fees therefor and receive interest thereon as may be agreed; and

(13) exercise such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with its charter and this part.

(b) Power to remove, and jurisdiction

Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the

Financial Assistance Corporation is a party shall be deemed to arise under the laws of the United States, and the United States District Court for the District of Columbia shall have exclusive jurisdiction over such. The Financial Assistance Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia.

(Pub. L. 92-181, title VI, §6.24, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1596; 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.

§ 2278b-5. Accounts

(a) Farm Credit Assistance Fund

(1) Establishment

The Financial Assistance Corporation shall establish an account called the Farm Credit Assistance Fund (referred to in this chapter as the “Assistance Fund”) which shall be available to the Financial Assistance Corporation as a revolving fund to carry out this part. The moneys of such Assistance Fund shall be invested in direct obligations of the United States or obligations guaranteed by the United States or an agency thereof.

(2) Funding

The Assistance Fund shall be funded through the issuance of debt obligations and payments, as provided in section 2278b-6 of this title, and payments, as provided in section 2278b-8 of this title.

(b) Financial Assistance Corporation Trust Fund

The Financial Assistance Corporation shall establish an account called the Financial Assistance Corporation Trust Fund (hereinafter referred to in this chapter as the “Trust Fund”) that shall consist of securities of the United States Treasury purchased by the Financial Assistance Corporation with the funds received from the purchase of stock by System institutions from the Financial Assistance Corporation under section 2278b-9 of this title.

(Pub. L. 92-181, title VI, §6.25, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1597.)

§ 2278b-6. Debt obligations

(a) Issuance

During the period beginning 61 days after January 6, 1988, and ending September 30, 1992, the Financial Assistance Corporation, subject to the approval of the Assistance Board, may issue uncollateralized bonds, notes, debentures, and similar obligations, guaranteed as to the timely