

§ 5406(a), May 22, 2008, 122 Stat. 1158; Pub. L. 110-246, § 4(a), title V, § 5406(a), June 18, 2008, 122 Stat. 1664, 1920.)

REFERENCES IN TEXT

The Consolidated Farm and Rural Development Act, referred to in par. (9)(B), is title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, as amended, which is classified principally to chapter 50 (§ 1921 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 1921 of Title 7 and Tables.

The Rural Electrification Act of 1936, referred to in par. (9)(C), is act May 20, 1936, ch. 432, 49 Stat. 1363, which is classified generally to chapter 31 (§ 901 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see section 901 of Title 7 and Tables.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Par. (9)(C). Pub. L. 110-246, § 5406(a), added subpar. (C).

1996—Par. (1)(B)(ii). Pub. L. 104-105, § 101, substituted “, excluding the land to which the dwelling is affixed, with a value” for “with a purchase price”.

Par. (3)(A). Pub. L. 104-105, § 102(1), substituted “an agricultural mortgage marketing” for “a secondary marketing agricultural loan”.

Par. (3)(B). Pub. L. 104-105, § 102(2), struck out “, but only with respect to qualified loans described in paragraph (9)(B)” after “thereof”.

Par. (9)(B)(i). Pub. L. 104-105, §§ 108(c)(1), 109(b)(1), substituted “(d)” for “(f)” and “2279aa-8” for “2279aa-7, 2279aa-8”.

1990—Par. (3). Pub. L. 101-624, § 1839(a), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “The term ‘certified facility’ means a secondary marketing agricultural loan facility that is certified under section 2279aa-5 of this title.”

Par. (9). Pub. L. 101-624, § 1839(b), amended par. (9) generally. Prior to amendment, par. (9) read as follows: “The term ‘qualified loan’ means an obligation that—

“(A) is secured by a fee-simple or leasehold mortgage with status as a first lien on agricultural real estate located in the United States that is not subject to any legal or equitable claims deriving from a preceding fee-simple or leasehold mortgage;

“(B) is an obligation of—

“(i) a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; or

“(ii) a private corporation or partnership whose members, stockholders, or partners holding a majority interest in the corporation or partnership are individuals described in clause (i); and

“(C) is an obligation of a person, corporation, or partnership that has training or farming experience that, under criteria established by the Corporation, is sufficient to ensure a reasonable likelihood that the loan will be repaid according to its terms.”

1988—Par. (9)(B)(ii). Pub. L. 100-399 substituted “holding” for “hold” and struck out “and” before “are”.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

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.

STATEMENT OF PURPOSE

Pub. L. 100-233, title VII, § 701, Jan. 6, 1988, 101 Stat. 1686, provided that: “It is the purpose of this subtitle [subtitle A (§§ 701-705) of title VII of Pub. L. 100-233, enacting this subchapter, amending sections 2012, 2033, 2072, and 2093 of this title and section 9105 of Title 31, Money and Finance, and enacting provisions set out as a note below]—

“(1) to establish a corporation chartered by the Federal Government;

“(2) to authorize the certification of agricultural mortgage marketing facilities by the corporation;

“(3) to provide for a secondary marketing arrangement for agricultural real estate mortgages that meet the underwriting standards of the corporation—

“(A) to increase the availability of long-term credit to farmers and ranchers at stable interest rates;

“(B) to provide greater liquidity and lending capacity in extending credit to farmers and ranchers; and

“(C) to provide an arrangement for new lending to facilitate capital market investments in providing long-term agricultural funding, including funds at fixed rates of interest; and

“(4) to enhance the ability of individuals in small rural communities to obtain financing for moderate-priced homes.”

GAO STUDIES

Pub. L. 100-233, title VII, § 704, Jan. 6, 1988, 101 Stat. 1706, as amended by Pub. L. 100-399, title VI, § 603, Aug. 17, 1988, 102 Stat. 1006, directed Comptroller General of United States to conduct studies of (1) implementation of amendments made by subtitle A (§§ 701-705) of title VII of Pub. L. 100-233 (which enacted this subchapter and amended sections 2012, 2033, 2072, and 2093 of this title and section 9105 of Title 31, Money and Finance) by Federal Agricultural Mortgage Corporation and effect of operations of Corporation on producers, Farm Credit System, and other lenders, and capital markets, (2) feasibility and appropriateness of promoting establishment of a secondary market for securities representing interests in, or obligations backed by, pools of agricultural real estate loans for which a guarantee had not been provided by Federal Agricultural Mortgage Corporation, and (3) feasibility of expanding authority granted under amendments made by such subtitle A to authorize sale of securities based on or backed by a trust or pool consisting of loans made to farm-related and rural small businesses, and required, not later than Jan. 6, 1990, Comptroller General to transmit to Congress a report on the studies, including therein such recommendations for administrative action and legislation as might be appropriate.

PART A—ESTABLISHMENT AND ACTIVITIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION

§ 2279aa-1. Federal Agricultural Mortgage Corporation

(a) Establishment

(1) In general

There is hereby established a corporation to be known as the Federal Agricultural Mortgage Corporation, which shall be a federally chartered instrumentality of the United States.

(2) Institution within Farm Credit System

The Corporation shall be an institution of the Farm Credit System.

(3) Liability**(A) Corporation**

The Corporation shall not be liable for any debt or obligation of any other institution of the Farm Credit System.

(B) System institutions

The Farm Credit System and System institutions (other than the Corporation) shall not be liable for any debt or obligation of the Corporation.

(b) Duties

The Corporation shall—

(1) in consultation with originators, develop uniform underwriting, security appraisal, and repayment standards for qualified loans;

(2) determine the eligibility of agricultural mortgage marketing facilities to contract with the Corporation for the provision of guarantees for specific mortgage pools;

(3) provide guarantees for the timely repayment of principal and interest on securities representing interests in, or obligations backed by, pools of qualified loans; and

(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.

(Pub. L. 92-181, title VIII, §8.1, as added Pub. L. 100-233, title VII, §702, Jan. 6, 1988, 101 Stat. 1687; amended Pub. L. 104-105, title I, §103, Feb. 10, 1996, 110 Stat. 163.)

AMENDMENTS

1996—Subsec. (b)(4). Pub. L. 104-105 added par. (4).

§ 2279aa-2. Board of directors**(a) Interim board****(1) Number and appointment**

Until the permanent board of directors established in subsection (b) first meets with a quorum of its members present, the Corporation shall be under the management of an interim board of directors composed of 9 members appointed by the President within 90 days after January 6, 1988, as follows:

(A) 3 members appointed from among persons who are representatives of banks, other financial institutions or entities, and insurance companies.

(B) 3 members appointed from among persons who are representatives of the Farm Credit System institutions.

(C) 2 members appointed from among persons who are farmers or ranchers who are not serving, and have not served, as directors or officers of any financial institution or entity, of which not more than 1 may be a stockholder of any Farm Credit System institution.

(D) 1 member appointed from among persons who represent the interests of the general public and are not serving, and have not served, as directors or officers of any financial institution or entity.

(2) Political affiliation

Not more than 5 members of the interim board shall be of the same political party.

(3) Vacancy

A vacancy in the interim board shall be filled in the manner in which the original appointment was made.

(4) Continuation of membership

If—

(A) any member of the interim board who was appointed to such board from among persons who are representatives of banks, other financial institutions or entities, insurance companies, or Farm Credit System institutions ceases to be such a representative; or

(B) any member who was appointed from among persons who are not or have not been directors or officers of any financial institution or entity becomes a director or an officer of any financial institution or entity;

such member may continue as a member for not longer than the 45-day period beginning on the date such member ceases to be such a representative or becomes such a director or officer, as the case may be.

(5) Terms

The members of the interim board shall be appointed for the life of such board.

(6) Quorum

5 members of the interim board shall constitute a quorum.

(7) Chairperson

The President shall designate 1 of the members of the interim board as the chairperson of the interim board.

(8) Meetings

The interim board shall meet at the call of the chairperson or a majority of its members.

(9) Voting common stock**(A) Initial offering**

Upon the appointment of sufficient members of the interim board to convene a meeting with a quorum present, the interim board shall arrange for an initial offering of common stock and shall take whatever other actions are necessary to proceed with the operations of the Corporation.

(B) Purchasers

Subject to subparagraph (C), the voting common stock shall be offered to banks, other financial entities, insurance companies, and System institutions under such terms and conditions as the interim board may adopt.

(C) Distribution

The voting stock shall be fairly and broadly offered to ensure that no institution or institutions acquire a disproportionate amount of the total amount of voting common stock outstanding of a class and that capital contributions and issuances of voting common stock for the contributions are fairly distributed between entities eligible to hold class A and class B stock, as provided under section 2279aa-4 of this title.

(10) Termination

The interim board shall terminate when the permanent board of directors established in