

centration of ownership, as may be established by the Corporation.

**(b) Par value**

The voting common stock shall have such par value and other characteristics as the Corporation provides. The voting common stock shall be vested with all voting rights, each share being entitled to 1 vote. The free transferability of the voting common stock at all times to any person, firm, corporation or other entity shall not be restricted except that, as to the Corporation, it shall be transferable only on the books of the Corporation.

(Pub. L. 91-351, title III, §304, July 24, 1970, 84 Stat. 454; Pub. L. 101-73, title VII, §731(d)(1), (3), Aug. 9, 1989, 103 Stat. 432; Pub. L. 102-550, title XIII, §1382(i), Oct. 28, 1992, 106 Stat. 4004.)

AMENDMENTS

1992—Subsec. (a). Pub. L. 102-550, §1382(i)(2), (3)(C), redesignated par. (1) as subsec. (a), struck out provisions of par. (1)(A) which related to common stock of Corporation consisting in part of nonvoting common stock issued only to Federal home loan banks, restate provisions of par. (1)(B) as text of subsec. (a), and redesignated par. (2) as subsec. (b).

Subsec. (b). Pub. L. 102-550, §1382(i)(1), (3), redesignated subsec. (a)(2) as (b), struck out “nonvoting common stock and the” before “voting common stock shall have such”, struck out at end “Nonvoting common stock of the Corporation shall be evidenced in the manner and shall be transferable only to the extent, to the transferees, and in the manner, provided by the Corporation.”, and struck out former subsec. (b) which read as follows: “The Federal home loan banks shall from time to time subscribe, at such price not less than par as the Corporation shall from time to time fix, for such amounts of nonvoting common stock as the Corporation prescribes, and such banks shall pay therefor at such time or times and in such amount or amounts as may from time to time be fixed by call of the Corporation. The amount of the payments for which such banks may be obligated under such subscriptions shall not exceed a cumulative total of \$100,000,000.”

Subsec. (c). Pub. L. 102-550, §1382(i)(1), struck out subsec. (c) which read as follows: “Subscriptions of the respective Federal home loan banks to nonvoting common stock shall be allocated by the Corporation.”

Subsec. (d). Pub. L. 102-550, §1382(i)(1), struck out subsec. (d) which read as follows: “The Corporation may retire at any time all or any part of the nonvoting common stock of the Corporation, or may call for retirement all or any part of the nonvoting common stock of the Corporation by (1) publishing a notice of the call in the Federal Register or providing such notice in such other manner as the Corporation may determine to be appropriate, and (2) depositing with the Treasurer of the United States, for the purpose of such retirement, funds sufficient to effect such retirement. No call for the retirement of any nonvoting common stock shall be made, and no nonvoting common stock shall be retired without call, if immediately after such action, the total of the nonvoting common stock not called for retirement and of the reserves and surplus of the Corporation would be less than \$100,000,000. The retirement of nonvoting common stock shall be at the par value thereof, or at the price at which such nonvoting common stock was issued if such price is greater than par value. No declaration of any dividend on nonvoting common stock of the Corporation shall be effective with respect to nonvoting common stock which at the time of such declaration is the subject of an outstanding retirement call the effective date of which has arrived.”

1989—Subsec. (a). Pub. L. 101-73, §731(d)(1), amended subsec. (a) generally. Prior to amendment, subsec. (a)

read as follows: “The capital stock of the Corporation shall consist of nonvoting common stock which shall be issued only to Federal home loan banks and shall have such par value and such other characteristics as the Corporation prescribes. Stock of the Corporation shall be evidenced in such manner and shall be transferable only to such extent, to such transferees, and in such manner as the Corporation prescribes.”

Subsec. (b). Pub. L. 101-73, §731(d)(3)(A), substituted “nonvoting common stock” for “common stock”.

Subsec. (c). Pub. L. 101-73, §731(d)(3)(B), substituted “nonvoting common stock” for “such stock”.

Subsec. (d). Pub. L. 101-73, §731(d)(3)(C), inserted “nonvoting common” before “stock” wherever appearing.

CONVERSION OF STOCK

Pub. L. 101-73, title VII, §731(d)(2), Aug. 9, 1989, 103 Stat. 432, provided that: “On the date of the enactment of this Act [Aug. 9, 1989], each share of outstanding senior participating preferred stock of the Federal Home Loan Mortgage Corporation, with a par value of \$2.50 per share, shall be changed into and shall become 1 share of voting common stock of the Corporation. Such voting common stock shall, with respect to the nonvoting common stock of the Corporation, retain all of the rights, priorities and privileges of the senior participating preferred stock. The transformation of the senior participating preferred stock into voting common stock under this paragraph shall be deemed to satisfy the obligation of the Corporation to redeem senior participating preferred stock for non-callable common stock.”

**§ 1454. Purchase and sale of mortgages; residential mortgages; conventional mortgages; terms and conditions of sale or other disposition; authority to enter into, perform, and carry out transactions**

**(a) Authority for purchase and sale; residential mortgages; conventional mortgages; terms and conditions of sale or other disposition; lending activities**

(1) The Corporation is authorized to purchase, and make commitments to purchase, residential mortgages. The Corporation may hold and deal with, and sell or otherwise dispose of, pursuant to commitments or otherwise, any such mortgage or interest therein. The operations of the Corporation under this section shall be confined so far as practicable to residential mortgages which are deemed by the Corporation to be of such quality, type, and class as to meet generally the purchase standards imposed by private institutional mortgage investors. The Corporation may establish requirements, and impose charges or fees, which may be regarded as elements of pricing, for different classes of sellers or servicers, and for such purposes the Corporation is authorized to classify sellers or servicers according to type, size, location, assets, or, without limitation on the generality of the foregoing, on such other basis or bases of differentiation as the Corporation may consider necessary or appropriate to effectuate the purposes or provisions of this chapter. The Corporation may specify requirements concerning among other things, (A) minimum net worth; (B) supervisory mechanisms; (C) warranty compensation mechanisms; (D) prior approval of facilities; (E) prior origination and servicing experience with respect to different types of mortgages; (F) capital contributions and substitutes; (G) mortgage purchase volume limits; and (H) reduction of

mortgage purchases during periods of borrowing. With respect to any particular type of seller, the Corporation shall not be required to make available programs involving prior approval of mortgages, optional delivery of mortgages, and purchase of other than conventional mortgages to an extent greater than the Corporation elects to make such programs available to other types of eligible sellers. Any requirements specified by the Corporation pursuant to the preceding three sentences must bear a rational relationship to the purposes or provisions of this chapter, but will not be considered discriminatory solely on the grounds of differential effects on types of eligible sellers. Insofar as is practicable, the Corporation shall make reasonable efforts to encourage participation in its programs by each type of eligible seller. Nothing in this section authorizes the Corporation to impose any charge or fee upon any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act [12 U.S.C. 1701 et seq.] solely because of such status.

(2) No conventional mortgage secured by a property comprising one- to four-family dwelling units shall be purchased under this section if the outstanding principal balance of the mortgage at the time of purchase exceeds 80 per centum of the value of the property securing the mortgage, unless (A) the seller retains a participation of not less than 10 per centum in the mortgage; (B) for such period and under such circumstances as the Corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the Corporation in the event that the mortgage is in default; or (C) that portion of the unpaid principal balance of the mortgage which is in excess of such 80 per centum is guaranteed or insured by a qualified insurer as determined by the Corporation. The Corporation shall not issue a commitment to purchase a conventional mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with the requirements of clause (A) of such sentence. The Corporation may purchase a conventional mortgage which was originated more than one year prior to the purchase date only if the seller is the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, the National Credit Union Administration, or any other seller currently engaged in mortgage lending or investing activities. With respect to any transaction in which a seller contemporaneously sells mortgages originated more than one year old prior to the date of sale to the Corporation and receives in payment for such mortgages securities representing undivided interests only in those mortgages, the Corporation shall not impose any fee or charge upon an eligible seller which is not a member of a Federal Home Loan Bank which differs from that imposed upon an eligible seller which is such a member. The Corporation shall establish limitations governing the maximum original principal obligation of conventional mortgages that are purchased by it; in any case in which the Corporation purchases a participation interest in such a mort-

gage, the limitation shall be calculated with respect to the total original principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation. Such limitations shall not exceed \$417,000 for a mortgage secured by a single-family residence, \$533,850 for a mortgage secured by a 2-family residence, \$645,300 for a mortgage secured by a 3-family residence, and \$801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date of the Federal Housing Finance Regulatory Reform Act of 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase, during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 4542 of this title). If the change in such house price index during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment is a decrease, then no adjustment shall be made for the next year, and the next adjustment shall take into account prior declines in the house price index, so that any adjustment shall reflect the net change in the house price index since the last adjustment. Declines in the house price index shall be accumulated and then reduce increases until subsequent increases exceed prior declines. The foregoing limitations may be increased by not to exceed 50 per centum with respect to properties located in Alaska, Guam, Hawaii, and the Virgin Islands. Such foregoing limitations shall also be increased, with respect to properties of a particular size located in any area for which 115 percent of the median house price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such limitation for such size residence or the amount that is equal to 115 percent of the median house price in such area for such size residence.

(3) The sale or other disposition by the Corporation of a mortgage under this section may be with or without recourse, and shall be upon such terms and conditions relating to resale, repurchase, guaranty, substitution, replacement, or otherwise as the Corporation may prescribe.

(4)(A) The Corporation is authorized to purchase, service, sell, lend on the security of, and otherwise deal in (i) residential mortgages that are secured by a subordinate lien against a one- to four-family residence that is the principal residence of the mortgagor; and (ii) residential mortgages that are secured by a subordinate lien against a property comprising five or more family dwelling units. If the Corporation shall have purchased, serviced, sold, or otherwise dealt with any other outstanding mortgage secured by the same residence, the aggregate original amount of such other mortgage and the mortgage authorized to be purchased, serviced, sold, or otherwise dealt with under this paragraph shall not exceed the applicable limitation determined under paragraph (2).

(B) The Corporation shall establish limitations governing the maximum original principal obligation of such mortgages. In any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total original principal obligation of such mortgage secured by a subordinate lien and not merely with respect to the interest purchased by the Corporation. Such limitations shall not exceed (i) with respect to mortgages described in subparagraph (A)(i), 50 per centum of the single-family residence mortgage limitation determined under paragraph (2); and (ii) with respect to mortgages described in subparagraph (A)(ii), the applicable limitation determined under paragraph (2).

(C) No subordinate mortgage against a one- to four-family residence shall be purchased by the Corporation if the total outstanding indebtedness secured by the property as a result of such mortgage exceeds 80 per centum of the value of such property unless (i) that portion of such total outstanding indebtedness that exceeds such 80 per centum is guaranteed or insured by a qualified insurer as determined by the Corporation; (ii) the seller retains a participation of not less than 10 per centum in the mortgage; or (iii) for such period and under such circumstances as the Corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the Corporation in the event that the mortgage is in default. The Corporation shall not issue a commitment to purchase a subordinate mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with the requirements of clause (iii) of such sentence.

(5) The Corporation is authorized to lend on the security of, and to make commitments to lend on the security of, any mortgage that the Corporation is authorized to purchase under this section. The volume of the Corporation's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees in its secondary market operations under this paragraph, shall be determined by the Corporation from time to time; and such determinations shall be consistent with the objectives that the lending activities shall be conducted on such terms as will reasonably prevent excessive use of the Corporation's facilities, and that the operations of the Corporation under this paragraph shall be within its income derived from such operations and that such operations shall be fully self-supporting. The Corporation shall not be permitted to use its lending authority under this paragraph (A) to advance funds to a mortgage seller on an interim basis, using mortgage loans as collateral, pending the sale of the mortgages in the secondary market; or (B) to originate mortgage loans. Notwithstanding any Federal, State, or other law to the contrary, the Corporation is hereby empowered, in connection with any loan under this paragraph, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and

with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Corporation.

**(b) Authority of other institutions to enter into, perform, and carry out transactions**

Notwithstanding any other law, authority to enter into and to perform and carry out any transactions or matter referred to in this section is conferred on any Federal home loan bank, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, the National Credit Union Administration, any Federal savings and loan association, any Federal home loan bank member, and any other financial institution the deposits or accounts of which are insured by an agency of the United States to the extent that Congress has the power to confer such authority.

**(c) Prior approval of Secretary for new programs**

The Corporation may not implement any new program (as such term is defined in section 4502 of this title) before obtaining the approval of the Secretary under section 4542<sup>1</sup> of this title.

**(d) Use of credit scores as condition for approval of residential mortgages**

**(1) Definition**

In this subsection, the term "credit score" means a numerical value or a categorization created by a third party derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default.

**(2) Use of credit scores**

The Corporation shall condition purchase of a residential mortgage by the Corporation under this section on the provision of a credit score for the borrower only if—

(A) the credit score is derived from any credit scoring model that has been validated and approved by the Corporation under this subsection; and

(B) the Corporation provides for the use of the credit score by all of the automated underwriting systems of the Corporation and any other procedures and systems used by the Corporation to purchase residential mortgages that use a credit score.

**(3) Validation and approval process**

The Corporation shall establish a validation and approval process for the use of credit score models, under which the Corporation may not validate and approve a credit score model unless the credit score model—

(A) satisfies minimum requirements of integrity, reliability, and accuracy;

(B) has a historical record of measuring and predicting default rates and other credit behaviors;

(C) is consistent with the safe and sound operation of the corporation;

(D) complies with any standards and criteria established by the Director of the Fed-

<sup>1</sup> See References in Text note below.

eral Housing Finance Agency under section 4548(1) of this title; and

(E) satisfies any other requirements, as determined by the Corporation.

**(4) Replacement of credit score model**

If the Corporation has validated and approved 1 or more credit score models under paragraph (3) and the Corporation validates and approves an additional credit score model, the Corporation may determine that—

(A) the additional credit score model has replaced the credit score model or credit score models previously validated and approved; and

(B) the credit score model or credit score models previously validated and approved shall no longer be considered validated and approved for the purposes of paragraph (2).

**(5) Public disclosure**

Upon establishing the validation and approval process required under paragraph (3), the Corporation shall make publicly available a description of the validation and approval process.

**(6) Application**

Not later than 30 days after the effective date of this subsection, the Corporation shall solicit applications from developers of credit scoring models for the validation and approval of those models under the process required under paragraph (3).

**(7) Timeframe for determination; notice**

**(A) In general**

The Corporation shall make a determination with respect to any application submitted under paragraph (6), and provide notice of that determination to the applicant, before a date established by the Corporation that is not later than 180 days after the date on which an application is submitted to the Corporation.

**(B) Extensions**

The Director of the Federal Housing Finance Agency may authorize not more than 2 extensions of the date established under subparagraph (A), each of which shall not exceed 30 days, upon a written request and a showing of good cause by the Corporation.

**(C) Status notice**

The Corporation shall provide notice to an applicant regarding the status of an application submitted under paragraph (6) not later than 60 days after the date on which the application was submitted to the Corporation.

**(D) Reasons for disapproval**

If an application submitted under paragraph (6) is disapproved, the Corporation shall provide to the applicant the reasons for the disapproval not later than 30 days after a determination is made under this paragraph.

**(8) Authority of Director**

If the Corporation elects to use a credit score under this subsection, the Director of the Federal Housing Finance Agency shall re-

quire the Corporation to periodically review the validation and approval process required under paragraph (3) as the Director determines necessary to ensure that the process remains appropriate and adequate and complies with any standards and criteria established pursuant to section 4548(1) of this title.

**(9) Extension**

If, as of the effective date of this subsection, a credit score model has not been approved under paragraph (3), the Corporation may use a credit score model that was in use before the effective date of this subsection, if necessary to prevent substantial market disruptions, until the earlier of—

(A) the date on which a credit score model is validated and approved under paragraph (3); or

(B) the date that is 2 years after the effective date of this subsection.

(Pub. L. 91-351, title III, §305, July 24, 1970, 84 Stat. 454; Pub. L. 93-383, title VIII, §805(a), (b), Aug. 22, 1974, 88 Stat. 726; Pub. L. 93-495, title I, §113, Oct. 28, 1974, 88 Stat. 1506; Pub. L. 95-128, title IV, §408(b), Oct. 12, 1977, 91 Stat. 1138; Pub. L. 95-557, title III, §321(a), (b), Oct. 31, 1978, 92 Stat. 2101; Pub. L. 96-294, title V, §534(a)(1), June 30, 1980, 94 Stat. 740; Pub. L. 96-399, title III, §313(b), Oct. 8, 1980, 94 Stat. 1644; Pub. L. 97-110, title II, §§202(a), (b)(1), 203, Dec. 26, 1981, 95 Stat. 1514, 1515; Pub. L. 98-440, title II, §§201(b), 203(b)(2), 205(b), 206(b), Oct. 3, 1984, 98 Stat. 1693-1696; Pub. L. 100-122, §2(b)(2), Sept. 30, 1987, 101 Stat. 793; Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100-170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100-242, title IV, §§443(b), 445, Feb. 5, 1988, 101 Stat. 1922; Pub. L. 100-628, title X, §1068(b), Nov. 7, 1988, 102 Stat. 3726; Pub. L. 101-73, title VII, §731(e), (f)(2), Aug. 9, 1989, 103 Stat. 433; Pub. L. 102-550, title XIII, §1382(j)-(m), Oct. 28, 1992, 106 Stat. 4004; Pub. L. 105-276, title II, §202(a), title V, §582(a)(14), Oct. 21, 1998, 112 Stat. 2483, 2644; Pub. L. 105-277, div. A, §122, Oct. 21, 1998, 112 Stat. 2681-546; Pub. L. 110-289, div. A, title I, §1124(b)(1), (2), July 30, 2008, 122 Stat. 2692; Pub. L. 115-174, title III, §310(b), May 24, 2018, 132 Stat. 1353.)

REFERENCES IN TEXT

The National Housing Act, referred to in subsec. (a)(1), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended, which is classified principally to chapter 13 (§1701 et seq.) of this title. For complete classification of this Act to the Code, see section 1701 of this title and Tables.

This chapter, referred to in subsec. (a)(1), was in the original “this Act” and has been translated as reading “this title”, meaning title III of Pub. L. 91-351, to reflect the probable intent of Congress.

The effective date of the Federal Housing Finance Regulatory Reform Act of 2008, referred to in subsec. (a)(2), probably means the date of enactment of div. A of Pub. L. 110-289, which was approved July 30, 2008.

Section 4542 of this title, referred to in subsec. (c), was repealed and a new section 4542 was added by Pub. L. 110-289, div. A, title I, §§1121(2), 1124(d), July 30, 2008, 122 Stat. 2689, 2693. The new section 4542 does not relate to obtaining the approval of the Secretary.

The effective date of this subsection, referred to in subsec. (d)(6), (9), is 180 days after May 24, 2018, see sec-

tion 310(d) of Pub. L. 115-174, set out as an Effective Date of 2018 Amendment note below.

#### AMENDMENTS

2018—Subsec. (d). Pub. L. 115-174 added subsec. (d).

2008—Subsec. (a)(2). Pub. L. 110-289 substituted “Such limitations shall not exceed \$417,000 for a mortgage secured by a single-family residence, \$533,850 for a mortgage secured by a 2-family residence, \$645,300 for a mortgage secured by a 3-family residence, and \$801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning after the effective date of the Federal Housing Finance Regulatory Reform Act of 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase, during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 4542 of this title). If the change in such house price index during the most recent 12-month or 4-quarter period ending before the time of determining such annual adjustment is a decrease, then no adjustment shall be made for the next year, and the next adjustment shall take into account prior declines in the house price index, so that any adjustment shall reflect the net change in the house price index since the last adjustment. Declines in the house price index shall be accumulated and then reduce increases until subsequent increases exceed prior declines.” for “Such limitations shall not exceed \$93,750 for a mortgage secured by a single-family residence, \$120,000 for a mortgage secured by a two-family residence, \$145,000 for a mortgage secured by a three-family residence, and \$180,000 for a mortgage secured by a four-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 1981. Each such adjustment shall be made by adding to each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase during the twelve-month period ending with the previous October in the national average one-family house price in the monthly survey of all major lenders conducted by the Federal Housing Finance Board.” and inserted last sentence.

1998—Subsec. (a)(2). Pub. L. 105-276, § 582(a)(14), struck out penultimate sentence which read as follows: “With respect to mortgages secured by property comprising five or more family dwelling units, such limitations shall not exceed 125 per centum of the dollar amounts set forth in section 207(c)(3) of the National Housing Act, except that such limitations may be increased by the Corporation (taking into account construction costs) to not to exceed 240 per centum of such dollar amounts in any geographical area for which the Secretary of Housing and Urban Development determines under such section that cost levels require any increase in the dollar amount limitations under such section.”

Pub. L. 105-276, § 202(a), which directed the amendment of the first sentence of par. (2) by striking out “or” at end of cl. (B) and substituting “; or (D) the mortgage is subject to default loss protection that the Corporation determines is financially equal or superior, on an individual or pooled basis, to the protection provided by clause (C) of this sentence: *Provided*, That if the Director of the Office of Federal Housing Enterprise Oversight subsequently finds that such default loss protection determined by the Corporation does not provide such equal or superior protection, the Corporation shall provide such additional default loss protection for such mortgage, as approved by the Director of the Office of Federal Housing Enterprise Oversight, necessary to provide such equal or superior protection.” for the period at end, was repealed by Pub. L. 105-277, effective upon enactment of Pub. L. 105-276.

1992—Subsec. (a)(1). Pub. L. 102-550, § 1382(j), in first sentence, substituted a period for “from any Federal

home loan bank, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, the National Credit Union Administration, any member of a Federal home loan bank, or any other financial institution the deposits or accounts of which are insured by an agency of the United States, or from any financial institution the deposits or accounts of which are insured under the laws of any State if the total amount of time and savings deposits held in all such institutions in that State is more than 20 per centum of the total amount of such deposits in all banks, building and loan, savings and loan, and homestead associations (including cooperative banks) in that State or from any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act or from any public utility carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act if the residential mortgage to be purchased is a loan or advance of credit the original proceeds of which are applied for in order to finance the purchase and installation of residential energy conservation measures (as defined in section 210(11) of the National Energy Conservation Policy Act) in residential real estate.” and in second sentence, substituted a period for “; and the servicing on any such mortgage may be performed by the seller or by a financial institution qualified as a seller under the provisions of the preceding sentence, or by a mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, with which institution or mortgagee the seller may contract.”

Subsec. (a)(2). Pub. L. 102-550, § 1382(k), substituted “Hawaii, and the Virgin Islands” for “and Hawaii” in last sentence.

Subsec. (c). Pub. L. 102-550, § 1382(l), (m), added subsec. (c) and struck out former subsec. (c) which read as follows: “The Board of Directors may not impose any annual limitation on the maximum aggregate principal amount of mortgages purchased by the Corporation.”

1989—Subsec. (a)(1). Pub. L. 101-73, § 731(e)(1), (f)(2)(A), substituted “Resolution Trust Corporation” for “Federal Savings and Loan Insurance Corporation” and inserted at end “Nothing in this section authorizes the Corporation to impose any charge or fee upon any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act solely because of such status.”

Subsec. (a)(2). Pub. L. 101-73, § 731(f)(2), substituted “Resolution Trust Corporation” for “Federal Savings and Loan Insurance Corporation” and “Federal Housing Finance Board” for “Federal Home Loan Bank Board”.

Subsec. (a)(5). Pub. L. 101-73, § 731(e)(2), added par. (5).

Subsec. (b). Pub. L. 101-73, § 731(f)(2)(A), substituted “Resolution Trust Corporation” for “Federal Savings and Loan Insurance Corporation”.

1988—Subsec. (a)(4)(A)(i). Pub. L. 100-242, § 443(b), struck out “through March 15, 1988,” before “residential mortgages”.

Subsec. (a)(4)(A)(ii). Pub. L. 100-628 struck out “until October 1, 1985,” before “residential mortgages”.

Subsec. (c). Pub. L. 100-242, § 445, added subsec. (c).

1987—Subsec. (a)(4)(A)(i). Pub. L. 100-200 substituted “March 15, 1988” for “December 16, 1987”.

Pub. L. 100-179 substituted “December 16, 1987” for “December 2, 1987”.

Pub. L. 100-170 substituted “December 2, 1987” for “November 15, 1987”.

Pub. L. 100-154 substituted “November 15, 1987” for “October 31, 1987”.

Pub. L. 100-122 substituted “through October 31, 1987” for “until October 1, 1987”.

1984—Subsec. (a)(2). Pub. L. 98-440, § 205(b), which directed insertion of “secured by a property comprising one- to four-family dwelling units” after “mortgages” where first appearing in first sentence was executed by inserting that phrase after “No conventional mortgage” as the probable intent of Congress.

Pub. L. 98-440, §201(b), substituted “The Corporation shall establish limitations governing the maximum original principal obligation of conventional mortgages that are purchased by it; in any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total original principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation” for “The Corporation shall establish limitations governing the maximum principal obligation of conventional mortgages purchased by it”.

Pub. L. 98-440, §206(b), inserted provision that the limitations set forth in section 1713(c)(3) of this title may be increased by the Corporation (taking into account construction costs) to not to exceed 240 per centum of such dollar amounts in any geographical area for which the Secretary of Housing and Urban Development determines under such section that cost levels required any increase in the dollar amount limitations under such section.

Subsec. (a)(4). Pub. L. 98-440, §203(b)(2), added par. (4). 1981—Subsec. (a)(1). Pub. L. 97-110, §203, added the Federal Deposit Insurance Corporation and the National Credit Union Administration to the enumeration of agencies from which the Federal Home Loan Mortgage Corporation is authorized to purchase residential mortgages.

Subsec. (a)(2). Pub. L. 97-110, §202(a), substituted provisions authorizing the Corporation to purchase a conventional mortgage which was originated more than one year prior to the purchase date only if the seller is the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, or any other seller currently engaged in mortgage lending or investing activities for provisions which had authorized the Corporation to purchase a conventional mortgage which was originated more than one year prior to the purchase date only if the seller was currently engaged in mortgage lending or investing activities and if, as a result thereof, the cumulative aggregate of the principal balances of all conventional mortgages purchased by the Corporation which were originated more than one year prior to the date of purchases did not exceed 20 per centum of the cumulative aggregate of the principal balances of all conventional mortgages purchased by the Corporation.

Pub. L. 97-110, §202(b)(1), inserted provision that, with respect to any transaction in which a seller contemporaneously sells mortgages originated more than one year old prior to the date of sale to the Corporation and receives in payment for such mortgages securities representing undivided interests only in those mortgages, the Corporation shall not impose any fee or charge upon an eligible seller which is not a member of a Federal Home Loan Bank which differs from that imposed upon an eligible seller which is such a member.

Subsec. (b). Pub. L. 97-110, §203, added the Federal Deposit Insurance Corporation and the National Credit Union Administration to the enumeration of agencies having the authority to enter into and to perform and carry out transactions and matters referred to in this section.

1980—Subsec. (a)(1). Pub. L. 96-294 inserted provisions relating to public utilities carrying out activities in accordance with the requirements of title II of the National Energy Conservation Policy Act.

Subsec. (a)(2). Pub. L. 96-399 inserted provisions setting forth limitations respecting mortgages secured by a single-family residence, etc., and struck out provisions making the limitations set forth in first proviso of first sentence of section 1464(c) of this title.

1978—Subsec. (a)(1). Pub. L. 95-557 inserted reference to any mortgagee approved by the Secretary of Housing and Urban Development at end of first sentence, and inserted last five sentences relating to imposition of charges or fees for different classes of sellers or servicers, etc.

1977—Subsec. (a)(2). Pub. L. 95-128 inserted “by more than 25 per centum” after “exceed” in last sentence.

1974—Subsec. (a)(1). Pub. L. 93-495 inserted provisions relating to State insurance of deposits or accounts in financial institutions.

Pub. L. 93-383, §805(a), substituted “. The Corporation may hold” for “. and to hold” and inserted provisions relating to the servicing of any such mortgage by the seller or qualified financial institution.

Subsec. (a)(2). Pub. L. 93-383, §805(b), substituted “80” for “75” in two places and “not exceed 20” for “not exceed 10”, struck out “private” before “insurer” in cl. (C), and substituted provisions relating to limitations contained in first proviso of first sentence of section 1464(c) of this title, for provisions relating to limitations applicable if the mortgage were insured by the Secretary under section 1709(b) or 1713 of this title.

#### EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-174, title III, §310(d), May 24, 2018, 132 Stat. 1355, provided that: “The amendments made by subsections (a) and (b) [amending this section and section 1717 of this title] shall take effect on the date that is 180 days after the date of enactment of this Act [May 24, 2018].”

#### EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110-289, div. A, title I, §1124(b)(3), July 30, 2008, 122 Stat. 2693, provided that: “The amendments made by paragraphs (1) and (2) of this subsection [amending this section] shall take effect upon the expiration of the date described in section 201(a) of the Economic Stimulus Act of 2008 (Public Law 110-185) [122 Stat. 619; probably means Dec. 31, 2008].”

#### EFFECTIVE DATE OF 1998 AMENDMENTS

Pub. L. 105-277, div. A, §122, Oct. 21, 1998, 112 Stat. 2681-546, provided that the amendment made by section 122 is effective upon enactment of Pub. L. 105-276 (Oct. 21, 1998).

Amendment by title V of Pub. L. 105-276 effective and applicable beginning upon Oct. 1, 1999, except as otherwise provided, with provision that Secretary may implement amendment before such date, except to extent that such amendment provides otherwise, and with savings provision, see section 503 of Pub. L. 105-276, set out as a note under section 1437 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Pub. L. 97-110, title II, §202(b)(2), Dec. 26, 1981, 95 Stat. 1514, provided that: “The amendment made by paragraph (1) [amending this section] shall take effect on January 1, 1982, and shall apply to commitments entered into on or after such date.”

#### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-557, title III, §321(c), Oct. 31, 1978, 92 Stat. 2102, provided: “The amendments made by this section [amending this section] shall become effective at the end of the two hundred and ten calendar days after enactment of this Act [Oct. 31, 1978], but not before January 31, 1979, or on such earlier date as the Federal Home Loan Mortgage Corporation may prescribe.”

#### SAVINGS PROVISION

Pub. L. 105-276, title V, §582(b), Oct. 21, 1998, 112 Stat. 2644, provided that: “Except to the extent otherwise provided in this Act [see Tables for classification], the repeals made by subsection (a) [amending this section and section 1717 of this title, repealing sections 1437a-1, 1437j-1, 1438, and 11903a of Title 42, The Public Health and Welfare, amending provisions set out as a note under section 1437f of Title 42, and repealing provisions set out as notes under section 1701z-6 of this title and sections 1437f, 1437g, and 1437t of Title 42] shall not affect any legally binding obligations entered into before the effective date under section 503(a) of this Act [set out as a note under section 1437 of Title 42].”

**§ 1455. Obligations and securities of the Corporation**

**(a) Authority to issue; terms and conditions; validity**

The Corporation is authorized, upon such terms and conditions as it may prescribe, to borrow, to give security, to pay interest or other return, and to issue notes, debentures, bonds, or other obligations, or other securities, including without limitation mortgage-backed securities guaranteed by the Government National Mortgage Association in the manner provided in section 1721(g) of this title. Any obligation or security of the Corporation shall be valid and binding notwithstanding that a person or persons purporting to have executed or attested the same may have died, become under disability, or ceased to hold office or employment before the issuance thereof.

**(b) Prohibitions and restrictions; creation of liens and charges; rank and priority; causes of action to enforce; jurisdiction; service of process**

The Corporation may, by regulation or by writing executed by the Corporation, establish prohibitions or restrictions upon the creation of indebtedness or obligations of the Corporation or of liens or charges upon property of the Corporation, including after-acquired property, and create liens and charges, which may be floating liens or charges, upon all or any part or parts of the property of the Corporation, including after-acquired property. Such prohibitions, restrictions, liens, and charges shall have such effect, including without limitation on the generality of the foregoing such rank and priority, as may be provided by regulations of the Corporation or by writings executed by the Corporation, and shall create causes of action which may be enforced by action in the United States District Court for the District of Columbia or in the United States district court for any judicial district in which any of the property affected is located. Process in any such action may run to and be served in any judicial district or any place subject to the jurisdiction of the United States.

**(c) Purchase of obligations; funds, maximum amount of purchases, etc.**

(1) The Secretary of the Treasury may purchase any obligations issued under subsection (a). For such purpose, the Secretary may use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include such purpose.

(2) The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if the purchase would increase the aggregate principal amount of the outstanding holdings of obligations under this subsection by the Secretary to an amount greater than \$2,250,000,000.

(3) Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon terms and conditions established to yield a rate of return determined by the Secretary to be appropriate, taking into consider-

ation the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of the purchase.

(4) The Secretary of the Treasury may at any time sell, upon terms and conditions and at prices determined by the Secretary, any of the obligations acquired by the Secretary under this subsection.

(5) All redemptions, purchases and sales by the Secretary of the Treasury of obligations under this subsection shall be treated as public debt transactions of the United States.

**(d) Validity of provisions; validity of restrictions, prohibitions, liens, or charges**

The provisions of this section and of any restriction, prohibition, lien, or charge referred to in subsection (b) shall be fully effective notwithstanding any other law, including without limitation on the generality of the foregoing any law of or relating to sovereign immunity or priority.

**(e) Authority to purchase, hold, or invest by person, trust, or organization**

(1) Any person, trust, or organization created pursuant to or existing under the laws of the United States or any State shall be authorized to purchase, hold, and invest in mortgages, obligations, or other securities which are or have been sold by the Corporation pursuant to this section or pursuant to section 1454 of this title to the same extent that such person, trust, or organization is authorized under any applicable law to purchase, hold, or invest in obligations issued by or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Where State law limits the purchase, holding, or investment in obligations issued by the United States by such a person, trust, or organization, such Corporation mortgages, obligations, and other securities shall be considered to be obligations issued by the United States for purposes of the limitation.

(2) The provisions of paragraph (1) shall not apply with respect to a particular person, trust, or organization or class thereof in any State which, after December 21, 1979, enacts a statute which specifically names the Corporation and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by such person, trust, or organization or class thereof than is provided in paragraph (1). The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest which was made prior thereto.

(3) Any authority granted by paragraph (1) and not granted by any other Federal statute shall expire as of the end of June 30, 1985. Such expiration shall not affect the validity of any contractual commitment to purchase, hold, or invest which was made prior thereto pursuant to paragraph (1), and shall not affect the validity of any contractual commitment or other action to purchase, hold, or invest pursuant to any other authorization.

**(f) Preferred stock**

The Corporation may have preferred stock on such terms and conditions as the Board of Direc-