

§ 2093. General corporate powers

Each Federal land bank association shall be a body corporate and, subject to supervision of the Farm Credit Bank for the district and the regulation of the Farm Credit Administration, shall have the power to—

- (1) adopt and use a corporate seal;
- (2) have succession until dissolved under the provisions of this chapter or other Act of Congress;
- (3) make contracts;
- (4) sue and be sued;
- (5) acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real estate and personal property necessary or convenient to the business of the association;
- (6) operate under the direction of the board of directors of the association in accordance with this chapter;
- (7) provide by its board of directors for a manager or other chief executive officer, and provide for such other officers or employees as may be necessary, including joint employees as provided in this chapter, define the duties of such, and require surety bonds or make other provision against losses occasioned by employees, except that no director shall, within one year after the date when such director ceases to be a member of the board, serve as a salaried employee of the association on the board of which such director served;
- (8) prescribe, by its board of directors, its bylaws that shall be consistent with law, and that shall provide for—
 - (A) the classes of its stock and the manner in which such stock shall be issued, transferred, and retired; and
 - (B) the manner in which it is to—
 - (i) select officers and employees;
 - (ii) acquire, hold, and transfer property;
 - (iii) conduct general business; and
 - (iv) exercise and enjoy the privileges granted to it by law;

(9) accept applications for Farm Credit Bank loans and receive from such bank and disburse to the borrowers the proceeds of such loans;

(10) subscribe to stock of the Farm Credit Bank of the district;

(11) elect by its board of directors a loan committee with power to elect applicants for membership in the association and recommend loans to the Farm Credit Bank, or with the approval of the Farm Credit Bank, delegate the election of applicants for membership and the approval of loans within specified limits to other committees or to authorized employees of the association;

(12) on agreement with the bank, take such additional actions with respect to applications and loans and perform such functions as are vested by law in the Farm Credit Banks as may be agreed to by the association;

(13) endorse and become liable to the bank on loans it makes to association members;

(14) receive such compensation and deduct such sums from loan proceeds with respect to each loan as may be agreed between the association and the bank and make such other charges for services as may be approved by the bank;

(15) provide technical assistance to members, borrowers, applicants, and other eligible persons and make available to them, at their option, such financial related services appropriate to their operations as it determines, with Farm Credit Bank approval, are feasible, under regulations of the Farm Credit Administration;

(16) borrow money from the bank and, with the approval of such bank, borrow from and issue association notes or other obligations to any commercial bank or other financial institution;

(17) buy and sell obligations of or insured by the United States or any agency thereof or of any banks of the Farm Credit System;

(18) invest association funds in such obligations as may be authorized in regulations of the Farm Credit Administration and approved by the bank and deposit securities and current funds of the association with any member bank of the Federal Reserve System, with the Farm Credit Bank, or with any bank insured by the Federal Deposit Insurance Corporation, and pay fees therefor and receive interest thereon as may be agreed;

(19) perform such other function delegated to the association by the Farm Credit Bank of the district;

(20) exercise by its board of directors or authorized officers or agents all such incidental powers as may be necessary or expedient in the conduct of its business;

(21) contribute to the capital of the bank; and

(22) operate as an originator and become certified as a certified facility under subchapter VIII.

(Pub. L. 92-181, title II, § 2.12, as added Pub. L. 100-233, title IV, § 401, Jan. 6, 1988, 101 Stat. 1635; amended Pub. L. 100-399, title IV, § 401(u), Aug. 17, 1988, 102 Stat. 998.)

PRIOR PROVISIONS

A prior section 2093, Pub. L. 92-181, title II, § 2.12, Dec. 10, 1971, 85 Stat. 598; Pub. L. 96-592, title II, § 208, Dec. 24, 1980, 94 Stat. 3442; Pub. L. 99-205, title II, § 205(e)(11), Dec. 23, 1985, 99 Stat. 1704; Pub. L. 100-233, title VII, § 705(d), Jan. 6, 1988, 101 Stat. 1707; Pub. L. 100-399, title VI, § 604, Aug. 17, 1988, 102 Stat. 1006, related to general corporate powers, prior to the general amendment of this subchapter by Pub. L. 100-233, § 401.

AMENDMENTS

1988—Par. (7). Pub. L. 100-399, § 401(u)(1), substituted “provide by its board of directors for” for “elect by its board of directors” and “serve as” for “be elected or designated”.

Par. (8). Pub. L. 100-399, § 401(u)(2), amended par. (8) generally. Prior to amendment, par. (8) read as follows: “prescribe by its board of directors, association bylaws, not inconsistent with law, providing for the classes of association stock and the manner in which such stock shall be issued, transferred, and retired; the officers and employees of the association elected or provided for, the property of the association that is acquired, held, and transferred, the general business of the association conducted, and the privileges granted to the association by law exercised and enjoyed;”.

Par. (12). Pub. L. 100-399, § 401(u)(3), substituted “agreed to by” for “agreed to or delegated to”.

Par. (22). Pub. L. 100-399, § 401(u)(4)-(6), added par. (22).

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233,

which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

EFFECTIVE DATE

Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1622, provided that this section is effective 6 months after Jan. 6, 1988.

§ 2094. Federal land bank association capitalization

In accordance with section 2154a of this title, the Federal land bank association shall provide, through its bylaws and subject to Farm Credit Administration regulations, for its capitalization and the manner in which its stock shall be issued, held, transferred, and retired and its earnings distributed.

(Pub. L. 92-181, title II, §2.13, as added Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1636.)

PRIOR PROVISIONS

A prior section 2094, Pub. L. 92-181, title II, §2.13, Dec. 10, 1971, 85 Stat. 599; Pub. L. 96-592, title II, §209, Dec. 24, 1980, 94 Stat. 3442; Pub. L. 99-205, title II, §205(e)(12)-(14), title III, §304(b), Dec. 23, 1985, 99 Stat. 1705, 1708; Pub. L. 100-233, title VIII, §805(h), Jan. 6, 1988, 101 Stat. 1715, related to stock and participation certificates, prior to the general amendment of this subchapter by Pub. L. 100-233, §401.

EFFECTIVE DATE

Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1622, provided that this section is effective 6 months after Jan. 6, 1988.

§ 2095. Repealed. Pub. L. 100-399, title IV, § 401(v), Aug. 17, 1988, 102 Stat. 999

Section, Pub. L. 92-181, title II, §2.14, as added Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1636, provided that whenever any Federal land bank association was liquidated, a sum equal to its reserve account as required in this chapter was to be paid and become the property of the bank in which such association was a shareholder.

A prior section 2095, Pub. L. 92-181, title II, §2.14, Dec. 10, 1971, 85 Stat. 600; Pub. L. 99-205, title II, §205(e)(15), title VI, §605, Dec. 23, 1985, 99 Stat. 1705, 1711, related to application of earnings, restoration of capital impairment, and surplus account, prior to the general amendment of this subchapter by Pub. L. 100-233, §401.

CONSTRUCTION OF REPEAL

Pub. L. 100-399, title IV, §401(v), Aug. 17, 1988, 102 Stat. 999, repealed this section and provided that this chapter be applied and administered as if this section had not been enacted.

§ 2096. Agreements for sharing gains or losses

Each Farm Credit Bank may enter into agreements with Federal land bank associations in its district for sharing the gain or losses on loans or on security held therefor or acquired in liquidation thereof, and associations are authorized to enter into any such agreements and also, subject to bank approval, agreements with other associations in the district for sharing the risk of loss on loans endorsed by each such association. As may be authorized by the bank in accordance with regulations of the Farm Credit Administration, associations also may enter into agreements with other Farm Credit System institutions to share loan and other losses, whether to

protect against capital impairment or for any other purpose.

(Pub. L. 92-181, title II, §2.14, formerly §2.15, as added Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1636; renumbered §2.14, Pub. L. 100-399, title IV, §401(w), Aug. 17, 1988, 102 Stat. 999.)

PRIOR PROVISIONS

A prior section 2096, Pub. L. 92-181, title II, §2.15, Dec. 10, 1971, 85 Stat. 601; Pub. L. 96-592, title II, §210, Dec. 24, 1980, 94 Stat. 3442; Pub. L. 99-205, title II, §205(b), Dec. 23, 1985, 99 Stat. 1703; Pub. L. 100-233, title IV, §431(f), title VIII, §805(i), Jan. 6, 1988, 101 Stat. 1660, 1715; Pub. L. 100-399, title IV, §415(b), Aug. 17, 1988, 102 Stat. 1004, related to short- and intermediate-term loans, participation, other financial assistance, terms, conditions, interest, and security, prior to the general amendment of this subchapter by Pub. L. 100-233, §401.

A prior section 2.14 of Pub. L. 92-181 was classified to section 2095 of this title and was repealed by Pub. L. 100-399, §401(v).

EFFECTIVE DATE

Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1622, provided that this section is effective 6 months after Jan. 6, 1988.

§ 2097. Liens on stock

Each Federal land bank association shall have a first lien on the stock and participation certificates it issues, except on stock or participation certificates held by other Farm Credit System institutions, for the payment of any liability of the stockholder to the association or to the bank, or to both of them.

(Pub. L. 92-181, title II, §2.15, formerly §2.16, as added Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1637; renumbered §2.15, Pub. L. 100-399, title IV, §401(w), Aug. 17, 1988, 102 Stat. 999.)

PRIOR PROVISIONS

A prior section 2097, Pub. L. 92-181, title II, §2.16, Dec. 10, 1971, 85 Stat. 602; Pub. L. 96-592, title II, §211, Dec. 24, 1980, 94 Stat. 3443, related to other services, prior to the general amendment of this subchapter by Pub. L. 100-233, §401.

A prior section 2.15 of Pub. L. 92-181 was renumbered section 2.14 and is classified to section 2096 of this title.

EFFECTIVE DATE

Pub. L. 100-233, title IV, §401, Jan. 6, 1988, 101 Stat. 1622, provided that this section is effective 6 months after Jan. 6, 1988.

§ 2098. Taxation

Each Federal land bank association and 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 a Federal land bank association to the same extent, according to its value, as other similar property held by other persons is taxed. The mortgages held by the Federal land bank associations and the notes, bonds, debentures, and other obligations issued by the associations shall be considered and held to be instrumentalities of the United States and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941 (31 U.S.C. 3124).