

Community Development Banking and Financial Institutions Act of 1994.” after “United States,” was executed by making the insertion after “United States” to reflect the probable intent of Congress.

Subsecs. (a)(1)(C), (3), (b), (c). Pub. L. 110-289, § 1204(8), substituted “the Director” for “the Board” wherever appearing.

1999—Subsec. (a)(2) to (4). Pub. L. 106-102 inserted “(other than a community financial institution)” after “institution” in par. (2)(A), designated concluding provisions of par. (2) as par. (3), inserted heading and substituted “paragraph (2)” for “preceding sentence”, and added par. (4).

1989—Subsec. (a). Pub. L. 101-73, § 704(a), amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, or savings bank shall be eligible to become a member of, or a nonmember borrower of, a Federal Home Loan Bank if such institution (1) is duly organized under the laws of any State or of the United States; (2) is subject to inspection and regulation under the banking laws, or under similar laws, of the State or of the United States; and (3) makes such home mortgage loans as in the judgment of the board, are long-term loans (and in the case of a savings bank if, in the judgment of the board, its time deposits, as defined in section 461 of this title, warrant its making such loans). No institution shall be eligible to become a member of, or a nonmember borrower of, a Federal Home Loan Bank if, in the judgment of the board, its financial condition is such that advances may not safely be made to such institution or the character of its management or its home-financing policy is inconsistent with sound and economical home financing, or with the purposes of this chapter.”

Subsec. (b). Pub. L. 101-73, § 710(b)(1), struck out “or a nonmember borrower” after “eligible to become a member”.

Pub. L. 101-73, § 701(b)(1), (3)(A), substituted “Board” for “board”.

Subsec. (c). Pub. L. 101-73, § 701(b)(1), (3)(A), substituted “Board” for “board”.

1933—Subsec. (d). Act June 13, 1933, struck out subsec. (d) which provided for direct loans to homeowners. See chapter 12 (§1461 et seq.) of this title.

§§ 1425 to 1425b. Repealed. Pub. L. 101-73, title VII, §§ 705, 716, 720, Aug. 9, 1989, 103 Stat. 416, 421, 423

Section 1425, acts July 22, 1932, ch. 522, § 5, 47 Stat. 727; Dec. 24, 1969, Pub. L. 91-152, title IV, § 416(a), 83 Stat. 401, related to limitation on lawful contract rate of interest receivable by members and nonmember borrowers, and applicability to home mortgage loans on single-family dwellings.

Section 1425a, act July 22, 1932, ch. 522, § 5A, as added June 27, 1950, ch. 369, § 1, 64 Stat. 256; amended Aug. 11, 1955, ch. 783, title I, § 109(a)(3), 69 Stat. 640; Sept. 21, 1968, Pub. L. 90-505, § 4, 82 Stat. 856; Mar. 31, 1980, Pub. L. 96-221, title I, § 104(b), title IV, § 405, 94 Stat. 139, 158; Oct. 8, 1980, Pub. L. 96-399, title III, § 325(a), 94 Stat. 1648; Oct. 15, 1982, Pub. L. 97-320, title III, § 332, 96 Stat. 1504; Oct. 17, 1984, Pub. L. 98-479, title II, § 207, 98 Stat. 2235, related to liquidity requirements for savings and loan associations and other members.

Section 1425b, act July 22, 1932, ch. 522, § 5B, as added Sept. 21, 1966, Pub. L. 89-597, § 4, 80 Stat. 824; amended Sept. 21, 1968, Pub. L. 90-505, § 2(c), 82 Stat. 856; Dec. 23, 1969, Pub. L. 91-151, § 2(b), 83 Stat. 372; Oct. 29, 1974, Pub. L. 93-501, title I, § 103, title III, § 303, 88 Stat. 1558, 1560; Nov. 5, 1979, Pub. L. 96-104, title II, § 203, 93 Stat. 793; Dec. 28, 1979, Pub. L. 96-161, title II, § 210, 93 Stat. 1239; Mar. 31, 1980, Pub. L. 96-221, title II, § 207(b)(7)-(9), title V, § 529, 94 Stat. 144, 168, related to rate of interest payable on deposits, shares or withdrawable accounts by members, insured institutions and other nonmember financial institutions.

§ 1426. Capital structure of Federal home loan banks

(a) Regulations

(1) Capital standards

Not later than 18 months after November 12, 1999, the Director shall issue regulations prescribing uniform capital standards applicable to each Federal home loan bank, which shall require each such bank to meet—

- (A) the leverage requirement specified in paragraph (2); and
- (B) the risk-based capital requirements, in accordance with paragraph (3).

(2) Leverage requirement

(A) In general

The leverage requirement shall require each Federal home loan bank to maintain a minimum amount of total capital based on the total assets of the bank and shall be 5 percent.

(B) Treatment of stock and retained earnings

In determining compliance with the minimum leverage ratio established under subparagraph (A), the paid-in value of the outstanding Class B stock and the amount of retained earnings shall be multiplied by 1.5, and such higher amounts shall be deemed to be capital for purposes of meeting the 5 percent minimum leverage ratio, except that a Federal home loan bank’s total capital (determined without taking into account any such multiplier) shall not be less than 4 percent of the total assets of the bank.

(3) Risk-based capital standards

(A) Risk-based capital standards

The Director shall, by regulation, establish risk-based capital standards for the Federal Home Loan Banks to ensure that the Federal Home Loan Banks operate in a safe and sound manner, with sufficient permanent capital and reserves to support the risks that arise in the operations and management of the Federal Home Loans Banks.

(B) Consideration of other risk-based standards

In establishing the risk-based standard under subparagraph (A), the Director shall take due consideration of any risk-based capital test established pursuant to section 1361 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4611) for the enterprises (as defined in that Act [12 U.S.C. 4501 et seq.]), with such modifications as the Director determines to be appropriate to reflect differences in operations between the Federal home loan banks and those enterprises.

(4) Other regulatory requirements

The regulations issued by the Director under paragraph (1) shall—

- (A) permit each Federal home loan bank to issue, with such rights, terms, and preferences, not inconsistent with this chapter and the regulations issued hereunder, as the board of directors of that bank may approve, any 1 or more of—