

lowing a transfer or assignment under subsection (a) of this section, the provisions of section 2154a of this title were to be applicable to the association.

Subsec. (d). Pub. L. 100-399, § 408(i), (j), transferred section 2279c of this title to subsec. (d) of this section, substituted heading for former section heading, and amended text generally. Prior to amendment, text read as follows: "On the merger of one or more production credit associations with one or more Federal land bank associations, the bank supervising the Federal land bank association shall transfer all of its direct lending authority of the bank to such association under section 2279c-1 of this title."

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.

§ 2279c. Equalization of loan-making powers of certain district associations

(a) Equalization of loan-making powers

(1) In general

(A) Federal land bank associations

Subject to paragraph (2), any association that owns a Federal land bank association authorized as of January 1, 2007, to make long-term loans under subchapter I in its chartered territory within the geographic area described in subsection (b) may make short- and intermediate-term loans and otherwise operate as a production credit association under subchapter II within that same chartered territory.

(B) Production credit associations

Subject to paragraph (2), any association that under its charter has subchapter I lending authority and that owns a production credit association authorized as of January 1, 2007, to make short- and intermediate-term loans under subchapter II in the geographic area described in subsection (b) may make long-term loans and otherwise operate, directly or through a subsidiary association, as a Federal land bank association or Federal land credit association under subchapter I in the geographic area.

(C) Farm Credit Bank

Notwithstanding section 2252(a) of this title, the Farm Credit Bank with which any association had a written financing agreement as of January 1, 2007, may make loans and extend other comparable financial assistance with respect to, and may purchase, any loans made under the new authority provided under subparagraph (A) or (B) by an association exercising such authority.

(2) Required approvals

An association may exercise the additional authority provided for in paragraph (1) only after the exercise of the authority is approved by—

(A) the board of directors of the association; and

(B) a majority of the voting stockholders of the association (or, if the association is a subsidiary of another association, the voting stockholders of the parent association) voting, in person or by proxy, at a duly author-

ized meeting of stockholders in accordance with the process described in section 2279e of this title.

(b) Applicability

This section applies only to associations the chartered territory of which was within the geographic area served by the Federal intermediate credit bank immediately prior to its merger with a Farm Credit Bank under section 410(e)(1) of the Agricultural Credit Act of 1987 (12 U.S.C. 2011 note; Public Law 100-233).

(Pub. L. 92-181, title VII, § 7.7, as added Pub. L. 110-234, title V, § 5407(a), May 22, 2008, 122 Stat. 1159, and Pub. L. 110-246, § 4(a), title V, § 5407(a), June 18, 2008, 122 Stat. 1664, 1921.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

PRIOR PROVISIONS

A prior section 2279c, Pub. L. 92-181, title VII, § 7.7, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1647; amended Pub. L. 100-399, title IV, § 408(i), (j), Aug. 17, 1988, 102 Stat. 1002, related to mergers of unlike associations, prior to renumbering as section 7.6(d) of Pub. L. 92-181 and transfer to section 2279b(d) of this title.

EFFECTIVE DATE

Enactment 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, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as a note under section 8701 of Title 7, Agriculture.

Section effective Jan. 1, 2010, see section 5407(d) of Pub. L. 110-246, set out as an Effective Date of 2008 Amendment note under section 2252 of this title.

SUBPART 2—MERGER OF LIKE AND UNLIKE ASSOCIATIONS

§ 2279c-1. Merger of associations

(a) In general

Two or more associations within the same district, whether or not organized under the same subchapter of this chapter, may merge into a single entity (hereinafter in this subchapter referred to as a "merged association") if the plan of merger is approved by—

(1) the Farm Credit Administration Board;

(2) the boards of directors of the associations;

(3) a majority of the shareholders of each association voting, in person or by proxy, at a duly authorized stockholders' meeting; and

(4) the Farm Credit Bank.

(b) Powers, obligations, and consolidation

(1) Powers and obligations

Except as otherwise provided by this subchapter, a merged association shall—

(A) possess all powers granted under this chapter to the associations forming the merged association; and

(B) be subject to all of the obligations imposed under this chapter on the associations forming the merged association.

(2) Consolidation

The Farm Credit Administration shall issue regulations that establish the manner in

which the powers and obligations of the associations that form the merged association are consolidated and, to the extent necessary, reconciled in the merged association.

(c) Stock issuance

(1) Plan of merger

Subject to section 2154a of this title, the number of shares of capital stock issued by a merged association to the stockholders of any association forming such merged association, and the rights and privileges of such shares (including voting power, preferences on liquidation, and the right to dividends), shall be determined by the plan of merger adopted by the merged associations.

(2) Capitalization

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

(Pub. L. 92-181, title VII, §7.8, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1647; amended Pub. L. 100-399, title IV, §408(k), (l), Aug. 17, 1988, 102 Stat. 1002.)

AMENDMENTS

1988—Subsec. (b)(2). Pub. L. 100-399, §408(k), struck out second sentence, which directed that, following a merger under subsection (a) of this section, the provisions of section 2154a of this title were to be applicable to the merged association.

Subsec. (c)(2). Pub. L. 100-399, §408(l), substituted “Capitalization” for “Plan of capitalization” as par. (2) heading and amended text generally. Prior to amendment, text read as follows: “The number of shares of capital stock, and the rights and privileges thereof, issued by a merged association after a merger shall be determined by the Board of Directors of the merged association, with the approval of the supervising bank, and shall be consistent with section 2154a of this title and the regulations issued by the Farm Credit Administration.”

Subsec. (c)(3). Pub. L. 100-399, §408(l), struck out par. (3) which read as follows: “Voting stock of a merged association shall be issued to and held by farmers, ranchers, or producers or harvesters of aquatic products who are or were, immediately prior to the merger, direct borrowers from one of the associations forming the merged association or the supervising bank of such merged association.”

Subsec. (d). Pub. L. 100-399, §408(l), struck out subsec. (d) which read as follows: “The plan of merger shall provide for the issuance, transfer, and retirement of stock and the distribution of earnings in accordance with the provisions of section 2154a of this title.”

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.

SUBPART 3—RECONSIDERATION

§ 2279c-2. Reconsideration

(a) Period

A stockholder vote in favor of—

(1) the merger of districts under this chapter;

(2) the merger of banks within a district under section 2279a of this title;

(3) the transfer of the lending authority of a Federal land bank or a merged bank having a Federal land bank as one of its constituents, under section 2279b of this title;

(4) the merger of two or more associations under section 2279c-1 or 2279f-1 of this title;

(5) the termination of the status of an institution as a System institution under section 2279d of this title; or

(6) the merger of similar banks under section 2279f of this title;

shall not take effect except in accordance with subsection (b).

(b) Reconsideration

(1) Notice

Not later than 30 days after a stockholder vote in favor of any of the actions described in subsection (a), the officer or employee that records such vote shall ensure that all stockholders of the voting entity receive notice of the final results of the vote.

(2) Effective date

A voluntary merger, transfer, or termination that is approved by a vote of the stockholders of two or more banks or associations shall not take effect until the expiration of 30 days after the date on which the stockholders of such banks or associations are notified of the final result of the vote in accordance with paragraph (1).

(3) Petition filed

If a petition for reconsideration of a merger, transfer, or termination vote, signed by at least 15 percent of the stockholders of one or more of the affected banks or associations, is presented to the Farm Credit Administration within 30 days after the date of the notification required under paragraph (1)—

(A) a voluntary merger, transfer, or termination shall not take effect until the expiration of 60 days after the date on which the stockholders were notified of the final result of the vote; and

(B) a special meeting of the stockholders of the affected banks or associations shall be held during the period referred to in subparagraph (A) to reconsider the vote.

(4) Vote on reconsideration

If a majority of stockholders of any one of the affected banks or associations voting, in person or by written proxy, at a duly authorized stockholders' meeting, vote against the proposed merger, transfer, or termination, such action shall not take place.

(5) Failure to file petition

If a petition for reconsideration of such vote is either not filed prior to the 60th day after the vote or, if timely filed, is not signed by at least 15 percent of the stockholders, the merger, transfer, or termination shall become effective in accordance with the plan of merger, transfer, or termination.

(Pub. L. 92-181, title VII, §7.9, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1648;