

the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.

(11) DIRECTOR.—The term “Director” means the Director of the Federal Housing Finance Agency.

(12) AGENCY.—The term “Agency” means the Federal Housing Finance Agency, established under section 4511 of this title.

(July 22, 1932, ch. 522, § 2, 47 Stat. 725; June 27, 1934, ch. 847, § 507, 48 Stat. 1264; May 28, 1935, ch. 150, § 1, 49 Stat. 293; July 14, 1952, ch. 723, § 10(c), 66 Stat. 604; Pub. L. 86-70, § 9(a), June 25, 1959, 73 Stat. 142; Pub. L. 86-624, § 5(a), July 12, 1960, 74 Stat. 411; Pub. L. 87-779, § 2(a), Oct. 9, 1962, 76 Stat. 779; Pub. L. 101-73, title VII, §§ 701(a), 710(b)(1), Aug. 9, 1989, 103 Stat. 411, 418; Pub. L. 106-102, title VI, § 602, Nov. 12, 1999, 113 Stat. 1450; Pub. L. 110-289, div. A, title II, §§ 1203, 1204(8), (10), 1211(a), July 30, 2008, 122 Stat. 2785, 2786, 2790.)

### Editorial Notes

#### REFERENCES IN TEXT

Section 1441a of this title, referred to in par. (9)(B), was repealed by Pub. L. 111-203, title III, § 364(b), July 21, 2010, 124 Stat. 1555.

The Federal Deposit Insurance Act, referred to in par. (10)(A)(i), is act Sept. 21, 1950, ch. 967, § 2, 64 Stat. 873, which is classified generally to chapter 16 (§ 1811 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.

#### AMENDMENTS

2008—Par. (1). Pub. L. 110-289, § 1203(1), (2), redesignated par. (2) as (1) and struck out former par. (1). Prior to amendment, text read as follows: “The terms ‘Finance Board’ and ‘Board’ mean the Federal Housing Finance Board established under section 1422a of this title.”

Par. (1)(B). Pub. L. 110-289, § 1204(8), substituted “the Director” for “the Board”.

Pars. (2) to (4). Pub. L. 110-289, § 1203(2), redesignated pars. (3) to (5) as (2) to (4), respectively. Former par. (2) redesignated (1).

Par. (5). Pub. L. 110-289, § 1204(8), substituted “the Director” for “the Board”.

Pub. L. 110-289, § 1203(2), redesignated par. (6) as (5). Former par. (5) redesignated (4).

Pars. (6) to (9). Pub. L. 110-289, § 1203(2), (3), redesignated pars. (7) to (9) and (12) as (6) to (9), respectively. Former par. (6) redesignated (5).

Par. (10). Pub. L. 110-289, § 1203(1), (3), redesignated par. (13) as (10) and struck out former par. (10). Prior to amendment, text read as follows: “The term ‘Chairperson’ means the Chairperson of the Board.”

Par. (10)(A)(ii). Pub. L. 110-289, § 1211(a), substituted “\$1,000,000,000” for “\$500,000,000”.

Par. (10)(B). Pub. L. 110-289, § 1211(a), substituted “\$1,000,000,000” for “\$500,000,000”.

Pub. L. 110-289, § 1204(10), substituted “the Director” for “the Finance Board”.

Pars. (11) to (13). Pub. L. 110-289, § 1203(1), (3), (4), added pars. (11) and (12), redesignated former pars. (12) and (13) as (9) and (10), respectively, and struck out former par. (11). Prior to amendment, text read as follows: “The term ‘Secretary’ means the Secretary of Housing and Urban Development.”

1999—Par. (1). Pub. L. 106-102, § 602(1), substituted “terms ‘Finance Board’ and ‘Board’ mean” for “term ‘Board’ means”.

Par. (3). Pub. L. 106-102, § 602(2), added par. (3) and struck out former par. (3) which read as follows: “The

term ‘State’ includes the District of Columbia, Guam, Puerto Rico, and the Virgin Islands of the United States.”

Par. (13). Pub. L. 106-102, § 602(3), added par. (13).

1989—Pars. (1), (2). Pub. L. 101-73, § 701(a)(1), added pars. (1) and (2) and struck out former pars. (1) and (2) which defined “board” and “Federal Home Loan Bank”.

Par. (4). Pub. L. 101-73, § 701(a)(2), which directed amendment of par. (4) by striking out “(except when used in reference to the member of the Board)” after “member”, was executed by striking out “(except when used in reference to a member of the board)” as the probable intent of Congress.

Par. (5). Pub. L. 101-73, § 710(b)(1), struck out “or a nonmember borrower” after “member”.

Pars. (9) to (12). Pub. L. 101-73, § 701(a)(3), added pars. (9) to (12) and struck out former par. (9) which read as follows: “The term ‘nonmember borrower’ includes an institution authorized to secure advances from a Federal Home Loan Bank under the provisions of subsection (e) of section 1426 of this title.”

1962—Subsec. (6). Pub. L. 87-779 substituted “upon which is located, or which comprises or includes, one or more homes or other dwelling units, all of which may be defined by the Board” for “upon which there is located a dwelling for not more than four families”.

1960—Subsec. (3). Pub. L. 86-624 struck out reference to Territory of Hawaii.

1959—Subsec. (3). Pub. L. 86-70 substituted “Territory of Hawaii” for “Territories of Alaska and Hawaii”.

1952—Subsec. (3). Act July 14, 1952, inserted “Guam.”.

1935—Subsec. (6). Act May 28, 1935, substituted “four families” for “three families”.

1934—Subsec. (6). Act June 27, 1934, struck out “first” before “mortgage” and inserted “or (2) under a lease having a period of not less than fifty years to run from the date the mortgage was executed”.

### §§ 1422a, 1422b. Repealed. Pub. L. 110-289, div. A, title II, § 1204(1), July 30, 2008, 122 Stat. 2785

Section 1422a, act July 22, 1932, ch. 522, § 2A, as added Pub. L. 101-73, title VII, § 702(a), Aug. 9, 1989, 103 Stat. 413; amended Pub. L. 102-550, title XIII, § 1391, title XVI, § 1608, Oct. 28, 1992, 106 Stat. 4009, 4089, established the Federal Housing Finance Board.

Section 1422b, act July 22, 1932, ch. 522, § 2B, as added Pub. L. 101-73, title VII, § 702(a), Aug. 9, 1989, 103 Stat. 414; amended Pub. L. 106-102, title VI, § 606(e)(1), Nov. 12, 1999, 113 Stat. 1454, related to powers and duties of the Federal Housing Finance Board.

### § 1423. Federal Home Loan Bank districts; number and boundaries; establishment of Federal Home Loan Banks; names

#### (a) In general

As soon as practicable the Director shall divide the continental United States, Puerto Rico, the Virgin Islands, Guam, and the Territories of Alaska and Hawaii into not less than eight nor more than twelve districts. Such districts shall be apportioned with due regard to the convenience and customary course of business of the institutions eligible to and likely to subscribe for stock of a Federal Home Loan Bank to be formed under this chapter, but no such district shall contain a fractional part of any State. The districts thus created may be readjusted and new districts may from time to time be created by the Director, not to exceed twelve in all. Such districts shall be known as Federal Home Loan Bank districts and may be designated by number. As soon as practicable the Director shall establish, in each district, a Federal Home Loan Bank at such city as may be designated by

the Director. Its title shall include the name of the city at which it is established.

**(b) Authority to reduce districts**

Notwithstanding subsection (a), the number of districts may be reduced to a number less than 8—

(1) pursuant to a voluntary merger between Banks, as approved pursuant to section 1446(b) of this title; or

(2) pursuant to a decision by the Director to liquidate a Bank pursuant to section 4617 of this title.

(July 22, 1932, ch. 522, § 3, 47 Stat. 726; July 14, 1952, ch. 723, § 10(c), 66 Stat. 604; Pub. L. 101-73, title VII, § 701(b)(1), (3)(A), Aug. 9, 1989, 103 Stat. 412; Pub. L. 110-289, div. A, title II, §§ 1204(8), 1210, July 30, 2008, 122 Stat. 2786, 2790.)

**Editorial Notes**

**AMENDMENTS**

2008—Pub. L. 110-289, § 1210, designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

Pub. L. 110-289, § 1204(8), substituted “the Director” for “the Board” wherever appearing.

1989—Pub. L. 101-73 substituted “Board” for “board” wherever appearing.

1952—Act July 14, 1952, inserted “Guam,” after “Virgin Islands.”

**Statutory Notes and Related Subsidiaries**

**ADMISSION OF ALASKA AND HAWAII TO STATEHOOD**

Alaska was admitted into the Union on Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, on issuance of Proc. No. 3309, Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86-3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

**§ 1424. Eligibility for membership**

**(a) Criteria for eligibility**

**(1) In general**

Any building and loan association, savings and loan association, cooperative bank, homestead association, insurance company, savings bank, community development financial institution, or any insured depository institution (as defined in section 1422 of this title), shall be eligible to become a member of a Federal Home Loan Bank if such institution—

(A) is duly organized under the laws of any State or of the United States;

(B) is subject to inspection and regulation under the banking laws, or under similar laws, of the State or of the United States or, in the case of a community development financial institution, is certified as a community development financial institution under the Community Development Banking and Financial Institutions Act of 1994 [12 U.S.C. 4701 et seq.];<sup>1</sup> and

(C) makes such home mortgage loans as, in the judgment of the Director, are long-term

loans (except that in the case of a savings bank, this subparagraph applies only if, in the judgment of the Director, its time deposits, as defined in section 461 of this title, warrant its making such loans).

**(2) Qualified thrift lender**

An insured depository institution that is not a member on January 1, 1989, may become a member of a Federal Home Loan Bank only if—

(A) the insured depository institution (other than a community financial institution) has at least 10 percent of its total assets in residential mortgage loans;

(B) the insured depository institution's financial condition is such that advances may be safely made to such institution; and

(C) the character of its management and its home-financing policy are consistent with sound and economical home financing.

**(3) Certain institutions**

An insured depository institution commencing its initial business operations after January 1, 1989, may become a member of a Federal Home Loan Bank if it complies with regulations and orders prescribed by the Director for the 10 percent asset requirement (described in the<sup>2</sup> paragraph (2)) within one year after the commencement of its operations.

**(4) Limited exemption for community financial institutions**

A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).

**(5) Certain privately insured credit unions**

**(A) In general**

Subject to the requirements of subparagraph (B), a credit union shall be treated as an insured depository institution for purposes of determining the eligibility of such credit union for membership in a Federal home loan bank under paragraphs (1), (2), and (3).

**(B) Certification by appropriate supervisor**

**(i) In general**

For purposes of this paragraph and subject to clause (ii), a credit union which lacks Federal deposit insurance and which has applied for membership in a Federal home loan bank may be treated as meeting all the eligibility requirements for Federal deposit insurance only if the appropriate supervisor of the State in which the credit union is chartered has determined that the credit union meets all the eligibility requirements for Federal deposit insurance as of the date of the application for membership.

**(ii) Certification deemed valid**

If, in the case of any credit union to which clause (i) applies, the appropriate

<sup>1</sup> So in original.

<sup>2</sup> So in original. The word “the” probably should not appear.