

threatening the stability of member institutions, the Director may suspend temporarily the requirements of subsection (a) that a portion of net earnings be set aside semiannually by each Federal Home Loan Bank to a reserve account and permit each Federal Home Loan Bank to declare and pay dividends out of undivided profits.

**(c) Exception in case of losses in connection with Financing Corporation stock**

**(1) In general**

Notwithstanding subsection (a) of this section, if—

(A) a Federal Home Loan Bank incurs a chargeoff or an expense in connection with such bank's investment in the stock of the Financing Corporation under section 1441 of this title;

(B) the Director determines there is an extraordinary need for the member institutions of the bank to receive dividends; and

(C) the bank has reduced all reserves (other than the reserve account required by the first 2 sentences of subsection (a)) to zero,

the Director may authorize such bank to declare and pay dividends out of undivided profits (as such term is defined in section 1441(d)(7) of this title) or the reserve account required by the first 2 sentences of subsection (a).

**(2) Requirements of section 1441 of this title not affected**

Notwithstanding any payment of dividends by any Federal Home Loan Bank pursuant to an authorization by the Director under paragraph (1), the applicable provisions of section 1441 of this title shall continue to apply with respect to such bank, and to such bank's investment in the Financing Corporation, in the same manner and to the same extent as if such payment had not been made.

(July 22, 1932, ch. 522, §16, 47 Stat. 736; Aug. 2, 1954, ch. 649, title II, §204(a), 68 Stat. 622; Pub. L. 88-560, title VII, §701(d)(2), Sept. 2, 1964, 78 Stat. 800; Pub. L. 90-448, title VIII, §807(l), Aug. 1, 1968, 82 Stat. 545; Pub. L. 93-383, title VIII, §805(c)(3), Aug. 22, 1974, 88 Stat. 727; Pub. L. 97-320, title I, §124, Oct. 15, 1982, 96 Stat. 1485; Pub. L. 100-86, title III, §306(a), Aug. 10, 1987, 101 Stat. 600; Pub. L. 101-73, title VII, §§701(b)(1), (3)(A), 724(a), Aug. 9, 1989, 103 Stat. 412, 428; Pub. L. 106-102, title VI, §606(g), Nov. 12, 1999, 113 Stat. 1455; Pub. L. 110-289, div. A, title II, §1204(8), July 30, 2008, 122 Stat. 2786.)

**Editorial Notes**

**AMENDMENTS**

2008—Pub. L. 110-289 substituted “the Director” for “the Board” wherever appearing.

1999—Subsec. (a). Pub. L. 106-102, in third sentence substituted “previously retained earnings or current net earnings” for “net earnings” and struck out “, and then only with the approval of the Federal Housing Finance Board” after “section 1441b(e) of this title” and struck out fourth sentence which read as follows: “Beginning on January 1, 1992, the preceding sentence shall be applied by substituting ‘previously retained earnings or current net earnings’ for ‘net earnings’.”

1989—Subsec. (a). Pub. L. 101-73, §724(a)(1), substituted “Each Federal Home Loan Bank may carry to

a reserve account from time-to-time such portion of its net earnings as may be determined by its board of directors.” for “Each Federal Home Loan Bank shall carry to a reserve account semiannually 20 per centum of its net earnings until said reserve account shall show a credit balance equal to 100 per centum of the paid-in capital of such bank. After said reserve has reached 100 per centum of the paid-in capital of said bank, 5 per centum of its net earnings shall be added thereto semiannually. Whenever said reserve shall have been impaired below 100 per centum of the paid-in capital it shall be restored before any dividends are paid.”

Pub. L. 101-73, §724(a)(2), substituted “No dividends shall be paid except out of net earnings remaining after reductions for all reserves, chargeoffs, purchases of capital certificates of the Financing Corporation, and payments relating to the Funding Corporation required under this chapter have been provided for, other than chargeoffs or expenses incurred by a Bank in connection with the purchase of capital stock of the Financing Corporation under section 1441 of this title or payments relating to the Funding Corporation Principal Fund under section 1441b(e) of this title, and then only with the approval of the Federal Housing Finance Board. Beginning on January 1, 1992, the preceding sentence shall be applied by substituting ‘previously retained earnings or current net earnings’ for ‘net earnings’.” for “No dividends shall be paid except out of net earnings remaining after all reserves and charge-offs required under this chapter have been provided for, and then only with the approval of the board.”

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

1987—Subsec. (c). Pub. L. 100-86 added subsec. (c).

1982—Pub. L. 97-320 designated existing provisions as subsec. (a) and added subsec. (b).

1974—Pub. L. 93-383 inserted reference to mortgages, obligations, or other securities sold by the Federal Home Loan Mortgage Corporation pursuant to section 1454 or section 1455 of this title.

1968—Pub. L. 90-448 authorized investments in obligations, participations, or other instruments issued by the Government National Mortgage Association.

1964—Pub. L. 88-560 substituted “in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association” for “in obligations of the Federal National Mortgage Association”.

1954—Act Aug. 2, 1954, inserted reference to obligations of Federal National Mortgage Association in last sentence.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 1989 AMENDMENT**

Pub. L. 101-73, title VII, §724(b), Aug. 9, 1989, 103 Stat. 429, provided that: “The amendment made by subsection (a)(1) [amending this section] shall take effect on January 1, 1992.”

**EFFECTIVE DATE OF 1968 AMENDMENT**

For effective date of amendment by title VIII of Pub. L. 90-448, see section 808 of Pub. L. 90-448, set out as an Effective Date note under section 1716b of this title.

**§ 1437. Repealed. Pub. L. 101-73, title VII, § 703(a), Aug. 9, 1989, 103 Stat. 415**

Section, acts July 22, 1932, ch. 522, §17, 47 Stat. 736; 1947 Reorg. Plan No. 3, eff. July 27, 1947, 12 F.R. 4981, 61 Stat. 954; Aug. 11, 1955, ch. 783, title I, §109(a)(3), 69 Stat. 640; June 29, 1977, Pub. L. 95-56, 91 Stat. 252; Aug. 4, 1977, Pub. L. 95-90, §§1, 2, 91 Stat. 564; Oct. 15, 1982, Pub. L. 97-320, title I, §127, 96 Stat. 1486; Jan. 12, 1983, Pub. L. 97-457, §8, 96 Stat. 2507; Nov. 30, 1983, Pub. L. 98-181, title I [title VII, §702(b)], 97 Stat. 1267, set forth powers and duties, etc., of Federal Home Loan Bank Board.

**Statutory Notes and Related Subsidiaries****TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION AND FEDERAL HOME LOAN BANK BOARD**

Pub. L. 101-73, title IV, §§401-406, Aug. 9, 1989, 103 Stat. 354-363, as amended by Pub. L. 102-233, title III, §313, Dec. 12, 1991, 105 Stat. 1770; Pub. L. 111-203, title III, §367(5), July 21, 2010, 124 Stat. 1556, provided that:

**“SEC. 401. FSLIC AND FEDERAL HOME LOAN BANK BOARD ABOLISHED.****“(a) IN GENERAL.—**

“(1) FSLIC.—Effective on the date of the enactment of this Act [Aug. 9, 1989], the Federal Savings and Loan Insurance Corporation established under section 402 of the National Housing Act [former 12 U.S.C. 1725] is abolished.

“(2) FHLBB.—Effective at the end of the 60-day period beginning on the date of the enactment of this Act, the Federal Home Loan Bank Board and the position of Chairman of the Federal Home Loan Bank Board are abolished.

**“(b) DISPOSITION OF AFFAIRS.—**

“(1) IN GENERAL.—During the 60-day period beginning on the date of the enactment of this Act [Aug. 9, 1989], the Chairman of the Federal Home Loan Bank Board—

“(A) shall, solely for the purpose of winding up the affairs of the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board—

“(i) manage the employees of the Board and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee pursuant to section 403; and

“(ii) manage any property of the Board and the Corporation until such property is transferred pursuant to section 405; and

“(B) may take any other action necessary for the purpose of winding up the affairs of the Corporation and the Board.

**“(2) AVAILABILITY OF FUNDS IN FSLIC RESOLUTION FUND ON A REIMBURSABLE BASIS.—**

“(A) AVAILABILITY OF FUNDS.—Notwithstanding any provision of section 11A of the Federal Deposit Insurance Act [12 U.S.C. 1821a] (as added by section 215 of this Act), funds in the FSLIC Resolution Fund shall be available to the Chairman of the Federal Home Loan Bank Board to pay any expense incurred in carrying out the requirements of paragraph (1).

“(B) PAYMENT BY FDIC.—Upon the request of the Chairman of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation shall pay to the Chairman from the FSLIC Resolution Fund the amounts requested for expenses described in subparagraph (A).

“(C) EXCLUSIVE SOURCE OF FUNDS.—No funds or other property of the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation (other than the FSLIC Resolution Fund) may be used by the Chairman of the Federal Home Loan Bank Board to pay any expense incurred in carrying out any provision of this title [see Tables for classification].

“(D) REIMBURSEMENT BY SUCCESSOR AGENCIES.—Disbursements from the FSLIC Resolution Fund pursuant to subparagraph (A) which are attributable to employees described in paragraph (1)(A)(i) and property described in paragraph (1)(A)(ii) shall be reimbursed by the agency to which any such employee or property is transferred.

**“(c) AUTHORITY AND STATUS OF CHAIRMAN OF THE FEDERAL HOME LOAN BANK BOARD.—**

“(1) IN GENERAL.—Notwithstanding the repeal of section 17 of the Federal Home Loan Bank Act [12 U.S.C. 1437] by section 703 of this Act, the repeal of section 402(c) of the National Housing Act [12 U.S.C.

1725(c)] by section 407 of this title, the abolishment of the Federal Savings and Loan Insurance Corporation under section 401 of this title, the Chairman of the Federal Home Loan Bank Board shall have any authority vested in the Chairman or the Board before such date of enactment [Aug. 9, 1989] which is necessary for the Chairman to carry out the requirements of this section, paragraphs (1) and (2) of section 403(b), and section 405(a) during the 60-day period beginning on such date.

“(2) OTHER PROVISIONS.—For purposes of paragraph (1), the Chairman of the Federal Home Loan Bank Board shall continue to be—

“(A) treated as an officer of the United States during the 60-day period referred to in such subparagraph; and

“(B) entitled to compensation at the annual rate of basic pay payable for level III of the Executive Schedule [5 U.S.C. 5314].

“(3) NO ADDITIONAL COMPENSATION IF APPOINTED DIRECTOR.—During the 60-day period beginning on the date of the enactment of this Act [Aug. 9, 1989], the Chairman of the Federal Home Loan Bank Board shall not be entitled to any additional compensation by reason of his appointment as Director of the Office of Thrift Supervision.

**“(d) STATUS OF EMPLOYEES BEFORE TRANSFER.—**

“(1) EMPLOYEES OF FSLIC.—Any employee of the Federal Savings and Loan Insurance Corporation shall be treated as an employee of the Federal Home Loan Bank Board for purposes of subsection (b)(1)(A)(i).

“(2) RULE OF CONSTRUCTION.—The repeal of section 17 of the Federal Home Loan Bank Act [12 U.S.C. 1437] by section 703 of this Act, the repeal of section 402(c) of the National Housing Act [12 U.S.C. 1725(c)] by section 407 of this title, and the abolishment of the Federal Savings and Loan Insurance Corporation under section 401 of this title, shall not be construed as affecting the status of employees of such Corporation or of the Federal Home Loan Bank Board as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee pursuant to section 403.

**“(e) CONTINUATION OF SERVICES.—**

“(1) IN GENERAL.—The Director of the Office of Thrift Supervision, the Chairperson of the Oversight Board of the Resolution Trust Corporation, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Board may use the services of employees and other personnel and the property of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, on a reimbursable basis, to perform functions which have been transferred to such agencies for such time as is reasonable to facilitate the orderly transfer of functions transferred pursuant to any other provision of this Act [see Tables for classification] or any amendment made by this Act to any other provision of law.

“(2) REIMBURSEMENT.—The reimbursement required under paragraph (1) with respect to employees, personnel, and property described in such paragraph shall be made to the FSLIC Resolution Fund and shall be taken into account in determining the amount of any reimbursement required under subsection (b)(2)(D).

“(3) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States (including any Federal home loan bank), and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation before the enactment of this Act [Aug. 9, 1989] in connection with functions that are transferred to the Office of Thrift Supervision, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, or the Federal Housing Finance Board shall—

“(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

“(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

“(f) SAVINGS PROVISIONS RELATING TO FSLIC.—

“(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Federal Savings and Loan Insurance Corporation, or any other person, which—

“(A) arises under or pursuant to any section of title IV of the National Housing Act [former 12 U.S.C. 1724 et seq.]; and

“(B) existed on the day before the date of the enactment of this Act [Aug. 9, 1989].

“(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Federal Savings and Loan Insurance Corporation, or any Federal home loan bank with respect to any function of the Corporation which was delegated to employees of such bank, shall abate by reason of the enactment of this Act [see Tables for classification], except that the appropriate successor to the interests of such Corporation shall be substituted for the Corporation or the Federal home loan bank as a party to any such action or proceeding.

“(g) SAVINGS PROVISIONS RELATING TO FHLBB.—

“(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Federal Home Loan Bank Board, or any other person, which—

“(A) arises under or pursuant to the Federal Home Loan Bank Act [12 U.S.C. 1421 et seq.], the Home Owners’ Loan Act of 1933 [12 U.S.C. 1461 et seq.], or any other provision of law applicable with respect to such Board (other than title IV of the National Housing Act [former 12 U.S.C. 1724 et seq.]); and

“(B) existed on the day before the date of the enactment of this Act [Aug. 9, 1989].

“(2) CONTINUATION OF SUITS.—

“(A) [sic] IN GENERAL.—No action or other proceeding commenced by or against the Federal Home Loan Bank Board, or any Federal home loan bank with respect to any function of the Board which was delegated to employees of such bank, shall abate by reason of the enactment of this Act [see Tables for classification], except that the appropriate successor to the interests of such Board shall be substituted for the Board or the Federal home loan bank as a party to any such action or proceeding.

“(h) CONTINUATION OF ORDERS, RESOLUTIONS, DETERMINATIONS, AND REGULATIONS.—Subject to section 402, all orders, resolutions, determinations, and regulations, which—

“(1) have been issued, made, prescribed, or allowed to become effective by the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board (including orders, resolutions, determinations, and regulations which relate to the conduct of conservatorships and receiverships), or by a court of competent jurisdiction, in the performance of functions which are transferred by this Act [see Tables for classification]; and

“(2) are in effect on the date this Act takes effect [Aug. 9, 1989],

shall continue in effect according to the terms of such orders, resolutions, determinations, and regulations and shall be enforceable by or against the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, or the Resolution Trust Corporation, as the case may be, until modified, terminated, set aside, or superseded in accordance with applicable law by the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, or the Resolution Trust Corporation, as the case

may be, by any court of competent jurisdiction, or by operation of law.

“(i) IDENTIFICATION OF REGULATIONS WHICH REMAIN IN EFFECT PURSUANT TO THIS SECTION.—Before the end of the 60-day period beginning on the date of the enactment of this Act [Aug. 9, 1989], the Director of the Office of Thrift Supervision and the Chairperson of the Federal Deposit Insurance Corporation shall—

“(1) identify the regulations and orders which relate to the conduct of conservatorships and receiverships in accordance with the allocation of authority between them under this Act [see Tables for classification] and the amendments made by this Act; and

“(2) promptly publish notice of such identification in the Federal Register.

“SEC. 402. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

“(a) REGULATIONS RELATING TO INSURANCE FUNCTIONS.—All regulations and orders of the Federal Savings and Loan Insurance Corporation, or the Federal Home Loan Bank Board (in such Board’s capacity as the board of trustees of such Corporation), which are in effect on the date of the enactment of this Act [Aug. 9, 1989] and relate to—

“(1) the provision, rates, or cancellation of insurance of accounts; or

“(2) the administration of the insurance fund of the Federal Savings and Loan Insurance Corporation, shall remain in effect according to the terms of such regulations and orders and shall be enforceable by the Federal Deposit Insurance Corporation unless determined otherwise by such Corporation after consultation with the Comptroller of the Currency and, with respect to regulations and orders relating to the scope of deposit insurance coverage, pursuant to subsection (c).

“[(b) Repealed. Pub. L. 111–203, title III, §367(5)(B), July 21, 2010, 124 Stat. 1556.]

“(c) PROCEDURE FOR DIFFERENCES IN DEPOSIT INSURANCE COVERAGE BETWEEN FSLIC AND FDIC.—

“(1) TRANSITION RULE.—Until the effective date of regulations prescribed under paragraph (3)(B), any determination of the amount of any insured deposit in any depository institution which becomes an insured depository institution as a result of the amendment made to section 4(a) of the Federal Deposit Insurance Act [12 U.S.C. 1814(a)] by section 205(1) of this Act shall be made in accordance with the regulations and interpretations of the Federal Savings and Loan Insurance Corporation for determining the amount of an insured account which were in effect on the day before the date of the enactment of this Act [Aug. 9, 1989].

“(2) LIMITATION ON EXTENT OF COVERAGE.—During the period beginning on the date of the enactment of this Act and ending on the effective date of regulations prescribed under paragraph (3)(B), the amount of any insured account which is required to be treated as an insured deposit pursuant to paragraph (1) shall not exceed the amount of insurance to which such insured account would otherwise have been entitled pursuant to the regulations and interpretations of the Federal Savings and Loan Insurance Corporation which were in effect on the day before the date of the enactment of this Act.

“(3) UNIFORM TREATMENT OF INSURED DEPOSITS.—The Federal Deposit Insurance Corporation shall—

“(A) review its regulations, principles, and interpretations for deposit insurance coverage and those established by the Federal Savings and Loan Insurance Corporation; and

“(B) on or before the end of the 270-day period beginning on the date of the enactment of this Act, prescribe a uniform set of regulations which shall be applicable to all insured deposits in insured depository institutions (except to the extent any provision of this Act, any amendment made by this Act to the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.], or any other provision of law requires or explicitly permits the Federal Deposit Insurance

Corporation to treat insured deposits of Savings Association Insurance Fund members differently than insured deposits of Bank Insurance Fund members).

“(4) FACTORS REQUIRED TO BE CONSIDERED.—In prescribing regulations providing for the uniform treatment of deposit insurance coverage, the Federal Deposit Insurance Corporation shall consider all relevant factors necessary to promote safety and soundness, depositor confidence, and the stability of deposits in insured depository institutions.

“(5) NOTICE; EFFECTIVE DATE.—Regulations prescribed under this subsection shall—

“(A) provide for effective notice to depositors in insured depository institutions of any change in deposit insurance coverage which would result under such regulations; and

“(B) take effect on or before the end of the 90-day period beginning on the date such regulations become final.

“(6) DEFINITIONS.—For purposes of this subsection—

“(A) INSURED ACCOUNT.—The term ‘insured account’ has the meaning given to such term in section 401(c) of the National Housing Act [former 42 U.S.C. 1724(c)] (as in effect before the date of the enactment of this Act [Aug. 9, 1989]).

“(B) INSURED DEPOSITORY INSTITUTION.—The term ‘insured depository institution’ has the meaning given to such term in section 3(c)(2) of the Federal Deposit Insurance Act [12 U.S.C. 1813(c)(2)].

“(d) INTERIM TREATMENT OF CUSTODIAL ACCOUNTS.—

“(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding subsection (a) or any limitation contained in the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.] relating to the amount of deposit insurance available to any 1 borrower, amounts held in custodial accounts in insured depository institutions (as defined in section 3(c)(2) of such Act [12 U.S.C. 1813(c)(2)]) for the payment of principal, interest, tax, and insurance payments for mortgage borrowers, shall be insured under the Federal Deposit Insurance Act in the amount of \$100,000 per mortgage borrower.

“(2) TREATMENT AFTER EFFECTIVE DATE OF NEW REGULATIONS.—After the effective date of the regulations prescribed under subsection (c)—

“(A) the amount of deposit insurance available for custodial accounts shall be determined in accordance with such regulations; and

“(B) paragraph (1) shall cease to apply with respect to such accounts.

“(e) TREATMENT OF REFERENCES IN ADJUSTABLE RATE MORTGAGE INSTRUMENTS.—

“(1) IN GENERAL.—For purposes of adjustable rate mortgage instruments that are in effect as of the date of enactment of this Act [Aug. 9, 1989], any reference in the instrument to the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, or institutions insured by the Federal Savings and Loan Insurance Corporation before such date shall be treated as a reference to the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Comptroller of the Currency, or institutions which are members of the Savings Association Insurance Fund, as appropriate on the basis of the transfer of functions pursuant to this Act [see Tables for classification], unless the context of the reference requires otherwise.

“(2) SUBSTITUTION FOR INDEXES.—If any index used to calculate the applicable interest rate on any adjustable rate mortgage instrument is no longer calculated and made available as a direct or indirect result of the enactment of this Act, any index—

“(A) made available by the Comptroller of the Currency, the Chairperson of the Federal Deposit Insurance Corporation, or the Chairperson of the Federal Housing Finance Agency pursuant to paragraph (3); or

“(B) determined by the Comptroller of the Currency, the Chairperson of the Federal Deposit Insurance Corporation, or the Chairperson of the Fed-

eral Housing Finance Agency, pursuant to paragraph (4), to be substantially similar to the index which is no longer calculated or made available, may be substituted by the holder of any such adjustable rate mortgage instrument upon notice to the borrower.

“(3) AGENCY ACTION REQUIRED TO PROVIDE CONTINUED AVAILABILITY OF INDEXES.—Promptly after the enactment of this subsection [Aug. 9, 1989], the Comptroller of the Currency, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Agency shall take such action as may be necessary to assure that the indexes prepared by the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board, and the Federal home loan banks immediately prior to the enactment of this subsection and used to calculate the interest rate on adjustable rate mortgage instruments continue to be available.

“(4) REQUIREMENTS RELATING TO SUBSTITUTE INDEXES.—If any agency can no longer make available an index pursuant to paragraph (3), an index that is substantially similar to such index may be substituted for such index for purposes of paragraph (2) if the Comptroller of the Currency, the Chairperson of the Federal Deposit Insurance Corporation, or the Chairperson of the Federal Housing Finance Agency, as the case may be, determines, after notice and opportunity for comment, that—

“(A) the new index is based upon data substantially similar to that of the original index; and

“(B) the substitution of the new index will result in an interest rate substantially similar to the rate in effect at the time the original index became unavailable.

“SEC. 403. DETERMINATION OF TRANSFERRED FUNCTIONS AND EMPLOYEES.

“(a) ALL FHLBB AND FSLIC EMPLOYEES SHALL BE TRANSFERRED.—All employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall be identified for transfer under subsection (b) to the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, or the Federal Housing Finance Board.

“(b) FUNCTIONS AND EMPLOYEES TRANSFERRED.—

“(1) IN GENERAL.—The Director of the Office of Thrift Supervision, the Chairperson of the Oversight Board of the Resolution Trust Corporation, the Chairperson of the Federal Deposit Insurance Corporation, the Chairperson of the Federal Housing Finance Board, and the Chairman of the Federal Home Loan Bank Board (as of the day before the date of the enactment of this Act [Aug. 9, 1989]) shall jointly determine the functions or activities of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, and the number of employees of such Board and Corporation necessary to perform or support such functions or activities, which are transferred from the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation to the Office of Thrift Supervision, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, or the Federal Housing Finance Board, as the case may be.

“(2) ALLOCATION OF EMPLOYEES.—The Director of the Office of Thrift Supervision, the Chairperson of the Oversight Board of the Resolution Trust Corporation, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Board shall allocate the employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation consistent with the number determined pursuant to paragraph (1) in a manner which such Director, Chairman, and Chairpersons, in their sole discretion, deem equitable, except that, within work units, the agency preferences of individual employees shall be accommodated as far as possible.

“(c) FEDERAL HOME LOAN BANK PERSONNEL.—Employees of the Federal home loan banks or the joint offices

of such banks who, on the day before the date of the enactment of this Act [Aug. 9, 1989], are performing functions or activities on behalf of the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation shall be treated as employees of the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation for purposes of determining, pursuant to subsection (b)(1), the number of employees performing or supporting functions or activities of such Board or Corporation to the extent such functions or activities are transferred to the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Resolution Trust Corporation, or the Federal Housing Finance Board.

“(d) FSLIC EMPLOYEES ENGAGED IN CONSERVATORSHIP OR RECEIVERSHIP FUNCTIONS.—Individuals who, on the day before the date of the enactment of this Act [Aug. 9, 1989], are employed by the Federal Savings and Loan Insurance Corporation in such Corporation’s capacity as conservator or receiver of any insured depository institution shall be treated as employees of the Federal Savings and Loan Insurance Corporation for purposes of determining, pursuant to subsection (b)(1), the number of employees performing or supporting functions or activities of such Corporation if such conservatorship or receivership is transferred to the Federal Deposit Insurance Corporation or the Resolution Trust Corporation.

“SEC. 404. RIGHTS OF EMPLOYEES OF ABOLISHED AGENCIES.

“All employees identified for transfer under subsection (b) of section 403 (other than individuals described in subsection (c) or (d) of such section) shall be entitled to the following rights:

“(1) Each employee so identified shall be transferred to the appropriate agency or entity for employment no later than 60 days after the date of the enactment of this Act [Aug. 9, 1989] and such transfer shall be deemed a transfer of function for the purpose of section 3503 of title 5, United States Code.

“(2) Each transferred employee shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 1 year after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

“(3)(A) In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to subparagraph (B).

“(B) An agency or entity may decline a transfer of authority under subparagraph (A) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

“(4) If any agency or entity to which employees are transferred determines, after the end of the 1-year period beginning on the date the transfer of functions to such agency or entity is completed, that a reorganization of the combined work force is required, that reorganization shall be deemed a ‘major reorganization’ for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

“(5) Any employee accepting employment with any agency or entity (other than the Office of Thrift Supervision) as a result of such transfer may retain for 1 year after the date such transfer occurs membership in any employee benefit program of the Federal Home Loan Bank Board, including insurance, to

which such employee belongs on the date of the enactment of this Act [Aug. 9, 1989] if—

“(A) the employee does not elect to give up the benefit or membership in the program; and

“(B) the benefit or program is continued by the Director of the Office of Thrift Supervision.

The difference in the costs between the benefits which would have been provided by such agency or entity and those provided by this section shall be paid by the Director of the Office of Thrift Supervision. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Director of the Office of Thrift Supervision, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

“(6) Any employee employed by the Office of Thrift Supervision as a result of the transfer may retain membership in any employee benefit program of the Federal Home Loan Bank Board, including insurance, which such employee has on the date of enactment of this Act, if such employee does not elect to give up such membership and the benefit or program is continued by the Director of the Office of Thrift Supervision. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Director of the Office of Thrift Supervision, such employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or discontinuance, without regard to any other regularly scheduled open season.

“(7) A transferring employee in the Senior Executive Service shall be placed in a comparable position at the agency or entity to which such employee is transferred.

“(8) Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

“(9) Upon the termination of the Resolution Trust Corporation pursuant to section 21A(m)[(o)] of the Federal Home Loan Bank Act [former 12 U.S.C. 1441a(o)], any employee of the Federal Deposit Insurance Corporation assigned to the Resolution Trust Corporation shall be reassigned to a position within the Federal Deposit Insurance Corporation in accordance with the provisions of paragraphs (2) and (4) through (7) of this section, except that the liability for any difference in the costs of benefits described in paragraph (5) shall be a liability of the Resolution Trust Corporation and not the Office of Thrift Supervision.

“SEC. 405. DIVISION OF PROPERTY AND FACILITIES.

“Before the end of the 60-day period beginning on the date of the enactment of this Act [Aug. 9, 1989], the Director of the Office of Thrift Supervision, the Chairperson of the Oversight Board of the Resolution Trust Corporation, the Chairperson of the Federal Deposit Insurance Corporation, and the Chairperson of the Federal Housing Finance Board shall jointly divide all property of the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board used to perform functions and activities of the Federal Home Loan Bank Board among the Office of Thrift Supervision, the Resolution Trust Corporation, the Federal Deposit Insurance Corporation, and the Federal Housing Finance Board in accordance with the division of responsibilities, functions, and activities effected by this Act [see Tables for classification]. Any disagreement between them in so doing shall be resolved by the Director of the Office of Management and Budget.

“SEC. 406. REPORT.

“Before the end of the 60-day period beginning on the date of the enactment of this Act [Aug. 9, 1989], the Chairman of the Federal Home Loan Bank Board shall provide by written report to the Secretary of the Treas-

ury, the Director of the Office of Management and Budget, and the Congress, a final accounting of the finances and operations of the Federal Savings and Loan Insurance Corporation.”

**TRANSFERRED EMPLOYEES OF FEDERAL HOME LOAN BANKS AND JOINT OFFICES**

Pub. L. 101-73, title VII, §722, Aug. 9, 1989, 103 Stat. 426, provided that:

“(a) IN GENERAL.—Each employee of the Federal Home Loan Banks or joint offices of such Banks performing a function identified for transfer under section 403 of this Act [set out above], including employees who otherwise would be ineligible for employment by the United States because of their citizenship, shall be transferred for employment not later than 60 days after the date of the enactment of this Act [Aug. 9, 1989].

“(b) NOTICE TO EMPLOYEES.—Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

“(c) GUARANTEED POSITION.—Each transferred employee shall be guaranteed a position with the same status and tenure as that held by such employee on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated for one year after the date of transfer, except for cause.

“(d) PAY AND BENEFITS.—Each employee transferred under this section shall be entitled to receive, during the one-year period immediately following the transfer, pay and benefits comparable to those received by such employee immediately preceding the transfer. Where necessary or appropriate to further the safety and soundness of the thrift industry, the employing agency may continue the pre-transfer compensation of any transferring employee for up to 2 years beyond the expiration of the period provided for under the preceding sentence. Such pay and benefits shall be subject to the comparability provisions of this Act [see Tables for classification]. Any transferred employee who suffers a reduction of pay or benefits as a result of such comparability provisions shall be compensated for such reduction during the 1 year period following the transfer by assessments from the Federal Home Loan Bank or joint office of such Banks, from which the employee transferred. In any event, this subsection shall only apply to a transferred employee while such employee remains with the agency to which the employee is transferred.

“(e) HEALTH INSURANCE.—If the health insurance program of a transferred employee is not continued by the agency to which the employee is transferred, such employee may elect to participate in the agency’s health insurance program notwithstanding health conditions pre-existing at the time of election or enrollment into an alternate health insurance program of the agency to which he or she is transferred and without regard to any other regularly scheduled open season. Such election shall be made within 30 days of the transfer.

“(f) EQUITABLE TREATMENT.—The Director of the Office of Thrift Supervision or the Chairperson of the Federal Housing Finance Board shall take such action as is necessary on a case-by-case basis so that employees transferring under this section receive equitable treatment regarding credit for prior service with a Federal entity or instrumentality, or with a Federal Home Loan Bank or joint office of such Banks, with respect to the transferring employees’ retirement accounts and the transferring employees’ accrued leave or vacation time, in recognition of the transferring employees’ supervisory service.

“(g) SPECIAL RULE FOR CERTAIN ANNUITANTS.—An individual who was a reemployed annuitant on July 26, 1989, and who is transferred under this section, shall not be subject to the deduction from pay required by section 8344 or 8468 of title 5, United States Code, during the 1-year period beginning on the date of enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [Aug. 9, 1989].”

**TRANSITIONAL PROVISIONS**

Pub. L. 101-73, title VII, §723, Aug. 9, 1989, 103 Stat. 427, provided that:

“(a) FEDERAL HOME LOAN BANKS’ SHARE OF ADMINISTRATIVE EXPENSES.—The Federal Home Loan Banks shall pay to the Director of the Office of Thrift Supervision the amount obtained by multiplying the administrative expenses of the Office of Thrift Supervision incurred in connection with functions of the Banks that are transferred to the Office (less any fees or assessments collected by the Office) by a fraction—

“(1) the numerator of which is the amount of such expenses of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation paid by the Banks during the 1-year period ending on the date of enactment of this Act [Aug. 9, 1989]; and

“(2) the denominator of which is the total expenses of such Board and Corporation during such period.

No payment under this subsection is required after December 31, 1989.

“(b) COMPENSATION OF SUPERVISORY AND EXAMINATIONS EMPLOYEES.—The Federal Home Loan Banks shall continue to pay the compensation of employees of the Federal Home Loan Banks or the joint offices of such banks who, on the day before the date of the enactment of this Act [Aug. 9, 1989], are performing supervisory and examination functions until such supervisory and examination functions are transferred under this Act [see Tables for classification]. Thereafter, the obligation of the Federal Home Loan Banks hereunder to pay such applicable compensation shall continue until the later of—

“(1) the date which is 120 days after the date of transfer of such supervisory and examination functions to the Office of Thrift Supervision, or

“(2) March 31, 1990.

Payment of such compensation by the Federal Home Loan Banks shall be in lieu of, and not in addition to, the payment of compensation by the Office of Thrift Supervision.

“(c) FACILITIES AND SUPPORT SERVICES.—Until December 31, 1990, the Federal Home Loan Banks, as necessary, shall (with respect to supervisory and examination functions performed by employees transferred from the Federal Home Loan Banks or joint offices of such Banks to the Office of Thrift Supervision), provide the Office of Thrift Supervision facilities and support services comparable to those presently provided for the employees of the Federal Home Loan Banks or joint offices of such Banks performing such supervisory and examination functions, including office space, furniture and equipment, computer, personnel, and other support services. With respect to supervisory and examination functions presently performed by employees of individual Federal Home Loan Banks, each such Bank will only be required to provide such facilities and support services to the extent that the functions continue to be performed in that Bank’s offices.

“(d) PRINCIPAL SUPERVISORY AGENT.—Beginning on the date of enactment of this Act [Aug. 9, 1989] until the Director of the Office of Thrift Supervision shall otherwise provide, the Principal Supervisory Agent for each Federal Home Loan Bank district shall be the senior supervisory official (other than the President of the Federal Home Loan Bank) employed by the Federal Home Loan Bank in such district on the day before the date of the enactment of this Act, and such employees performing supervisory and examination functions shall continue to be responsible for the supervision and examination of savings associations within such district.”

**SPECIAL ACCOUNT**

Pub. L. 101-73, title VII, §725, Aug. 9, 1989, 103 Stat. 429, provided that: “At the time of dissolution of the Federal Home Loan Bank Board, all such moneys and funds as shall remain in the special deposit account of the Federal Home Loan Bank Board, or other such accounts, shall become the property of the Federal Housing Finance Board.”

## IMPROVEMENTS IN SUPERVISORY PROCESS

Pub. L. 100-86, title IV, §407(a)-(c), Aug. 10, 1987, 101 Stat. 616, 617, provided that:

“(a) ENHANCED FLEXIBILITY IN THE SUPERVISORY PROCESS.—The Federal Home Loan Bank Board (acting as such under the Federal Home Loan Bank Act [12 U.S.C. 1421 et seq.] and in the Board’s capacity as the board of trustees of the Federal Savings and Loan Insurance Corporation under section 402(a) of the National Housing Act [12 U.S.C. 1725(a)]) shall issue guidelines which provide greater flexibility for supervisory agents, examiners, and other employees and agents of the Board, the Federal Savings and Loan Insurance Corporation, and the Federal home loan banks in applying regulations, standards, and other requirements of the Board or such Corporation with regard to particular situations or particular thrift institutions.

“(b) PARTICULAR GUIDELINES REQUIRED.—The guidelines issued under subsection (a) shall contain the following provisions:

“(1) FLEXIBLE APPROVAL PROCESS FOR RENEGOTIATED LOANS.—A provision establishing a flexible procedure for obtaining supervisory approval of the terms of loans renegotiated by thrift institutions if a supervisory agreement is in effect between such institution and the principal supervisory agent of the Federal home loan bank district where such institution is located.

“(2) RECOGNITION OF ADDITIONAL FINANCIAL CAPABILITY OF A BORROWER.—A provision permitting examiners and other employees and agents of the Board, the Federal Savings and Loan Insurance Corporation, and the Federal home loan banks to take into account, to the extent consistent with the practices of the Federal banking agencies, other financial resources of a borrower (in addition to the financial assets of the borrower which are pledged to secure a loan) in classifying the assets of the thrift institution which holds a loan made to such borrower or with recourse to the borrower.

“(3) APPRAISAL REVIEW.—A provision establishing an appraisal review system to avoid overly optimistic or conservative appraisals with the goal of achieving appraisals that are more consistent in reflecting underlying values.

“(4) 1-TO-4 FAMILY RESIDENCES.—A provision eliminating the scheduled item system except as such system relates to 1-to-4 family residences.

“(c) DEFINITIONS.—For purposes of subsections (a) and (b)—

“(1) THRIFT INSTITUTION.—The term ‘thrift institution’ means—

“(A) any association (within the meaning given to such term in section 2(d) of the Home Owners’ Loan Act of 1933 [former 12 U.S.C. 1462(d)]);

“(B) any insured institution (within the meaning given to such term in section 401(a) of the National Housing Act [12 U.S.C. 1724(a)]); and

“(C) any member (within the meaning given to such term in section 2(4) [now 2(3)] of the Federal Home Loan Bank Act [12 U.S.C. 1422(3)]).

“(2) BOARD.—The term ‘Board’ means the Federal Home Loan Bank Board.

“(3) FEDERAL BANKING AGENCY.—The term ‘Federal banking agency’ means the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.”

## GUIDELINES RESPECTING ACTION ON APPLICATIONS TO BANK BOARD OR FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Pub. L. 100-86, title IV, §410(a), (c), (d), Aug. 10, 1987, 101 Stat. 620, provided that:

“(a) IN GENERAL.—The Federal Home Loan Bank Board shall promulgate guidelines which provide that with respect to each type of completed application (other than an application under section 408(g) of the National Housing Act [12 U.S.C. 1730a(g)]) by any per-

son for approval by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation, the application shall be deemed to be approved as of the end of the period prescribed under such guidelines unless the Board or the Federal Savings and Loan Insurance Corporation, as the case may be, approves or disapproves such application before the end of such period.

“(c) REPORT TO CONGRESS.—Before the end of the 60-day period beginning on the date of the enactment of this Act [Aug. 10, 1987], the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing the guidelines required to be promulgated under subsection (a).

“(d) EFFECTIVE DATE.—The guidelines required to be promulgated under subsection (a) shall take effect at the end of the 60-day period referred to in subsection (c).”

## GUIDELINES FOR ASSET DISPOSITION

Pub. L. 100-86, title IV, §411, Aug. 10, 1987, 101 Stat. 620, which directed Federal Home Loan Bank Board to submit, not later than 6 months after Aug. 10, 1987, to congressional committees a report containing appropriate new guidelines to prevent dumping of assets over which it had direct or indirect control and which the Board was to promulgate at end of such period, ceased to be effective on date that notice of completion of all net new borrowing by Financing Corporation is published in Federal Register (Mar. 30, 1992). See section 416 of Pub. L. 100-86, set out as a Sunset and Savings Provision note under section 1441 of this title.

## EXPANSION OF USE OF UNDERUTILIZED MINORITY THRIFT INSTITUTIONS

Pub. L. 100-86, title IV, §412, Aug. 10, 1987, 101 Stat. 620, provided that:

“(a) CONSULTATION ON EXPANDED USE.—The Secretary of the Treasury shall consult with the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation on methods for increasing the use of underutilized minority thrift institutions as depositaries or financial agents of Federal agencies.

“(b) DESIGNATION OF MINORITY THRIFT INSTITUTIONS INVOLVED IN CAPITAL RECOVERY PROGRAM AS UNDERUTILIZED THRIFT.—If the Federal Home Loan Bank Board approves any plan submitted under regulations prescribed under section 10 of the Home Owners’ Loan Act of 1933 [12 U.S.C. 1467a] (as added by section 404(a) of this title) or section 416 of the National Housing Act [12 U.S.C. 1730i] (as added by section 404(c) [404(b)] of this title) by any minority institution (as defined in each such section), such minority institution shall be designated by the Board as an underutilized thrift institution for purposes of increasing the use of such association as a depositary or financial agent of other Federal agencies.

“(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act [Aug. 10, 1987], the Secretary of the Treasury, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation shall each submit a report to the Congress on actions taken by such Secretary or agency pursuant to subsection (a) or (b).

“(d) THRIFT INSTITUTION DEFINED.—For purposes of this section, the term ‘thrift institution’ has the meaning given to such term in section 407(c)(1) [section 407(c)(1) of Pub. L. 100-86, set out as a note above].”

## CONGRESSIONAL OVERSIGHT

Pub. L. 100-86, title IV, §415, Aug. 10, 1987, 101 Stat. 622, provided that:

“(a) BANKING COMMITTEE REVIEW OF PANEL ACTIONS.—The Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on

Banking, Housing, and Urban Affairs of the Senate shall monitor and review the actions taken by each review panel established pursuant to the amendment made by section 407(d) of this Act [enacting former section 1442a of this title].

“(b) OTHER CONGRESSIONAL OVERSIGHT.—The Federal Home Loan Bank Board shall submit a report to the Committee on Banking, Finance and Urban Affairs [now Committee on Financial Services] of the House of Representatives, at the end of the 6-month period beginning on the date of the enactment of this title [Aug. 10, 1987], at the end of the 1-year period beginning on such date, and on an annual basis after the end of such 1-year period, containing—

“(1) a description of the Board’s existing manpower and talent;

“(2) an estimate of the Board’s projected manpower and talent needs for the year, including the cost of such projected needs;

“(3) a description and explanation of the goals and objectives, of the Board and all its related entities (including the Federal Asset Disposition Association), for the coming year and the management strategies to be employed by such entities in accomplishing such goals and objectives;

“(4) a summary of the operations, receipts, expenses, and expenditures, of the Board and all its related entities (including the Federal Asset Disposition Association), during the preceding year; and

“(5) a summary of the operations and the aggregate receipts, expenses, and expenditures of any other person not referred to in paragraph (4), including receivers, conservators, accountants, attorneys, and consultants, who is engaged in any activity on behalf of the Board or any other entity which is referred to in such paragraph, to the extent such operations, receipts, expenses, and expenditures are in connection with such activity.

“(c) APPEARANCE.—The Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall, before the beginning of each fiscal year, appear before the Committee on Banking, Finance and Urban Affairs [now Committee on Financial Services] of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate to describe and explain each such agency’s plans and proposals with respect to administrative expenses for such fiscal year.

“(d) GUIDELINES FOR EMPLOYMENT OF OUTSIDE ACCOUNTANTS, ATTORNEYS, CONSERVATORS, AND OTHER CONSULTANTS.—Before the end of the 6-month period beginning on the date of the enactment of this Act [Aug. 10, 1987], the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing guidelines to improve the management of and control over all outside accountants, attorneys, conservators, consultants, and other persons whose services are employed by the Board, the Federal Savings and Loan Insurance Corporation, the Federal Asset Disposition Association, the principal supervisory agent for any Federal home loan bank district, or any other entity created, owned, or controlled by the Board in connection with any function for which the Board has direct or indirect regulatory or supervisory responsibility.”

#### STUDY AND REPORTS CONCERNING DIRECT INVESTMENTS

Pub. L. 100-86, title XII, §1203, Aug. 10, 1987, 101 Stat. 661, provided that:

“(a) STUDY REQUIRED.—The Federal Home Loan Bank Board shall conduct a study of the effect of direct investment activities on insured institutions, including comparative analyses of the effect of direct investment activities on—

“(1) different sized insured institutions;

“(2) State chartered insured institutions;

“(3) federally chartered insured institutions; and

“(4) insured institutions in each of the Supervisory Examinations Rating Classifications.

“(b) REPORT REQUIRED.—Not later than 18 months after the date of enactment of this Act [Aug. 10, 1987], the Federal Home Loan Bank Board shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report containing the findings and conclusions of the Board with respect to the study required under subsection (a), including—

“(1) the findings and conclusions of the Board concerning the losses to the insurance fund and the degree to which such losses were the result of direct investment activities with respect to each of the classes of institutions described in subsection (a); and

“(2) a comparison of the effects of direct investment activities prior to April 16, 1987, and the effect of such activities on or after April 16, 1987, for each of the classes of institutions described in subsection (a) and the losses to the insurance fund as a result of such activities.

“(c) PRIOR REPORTS TO CONGRESS ON CHANGES TO DIRECT INVESTMENT REGULATIONS.—

“(1) IN GENERAL.—Not less than 90 days before final approval is given by the Federal Home Loan Bank Board to any regulation which repeals or modifies (or has the effect of repealing or modifying) any regulation limiting direct investment activities, the Board shall submit to the Committee on Banking, Finance and Urban Affairs [now Committee on Financial Services] of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the proposed regulation and the reasons for the proposed regulation, including the effect of such regulation on the insurance fund.

“(2) PROSPECTIVE APPLICATION OF RULE.—Paragraph (1) shall not apply with respect to Board Resolution Numbered 87-215 and Board Resolution Numbered 87-215A.

“(d) DIRECT INVESTMENT ACTIVITY DEFINED.—For purposes of this section, the term ‘direct investment activities’ means activities which are limited under Board Resolution Numbered 87-215 and Board Resolution Numbered 87-215A.”

## § 1438. Omitted

### Editorial Notes

#### CODIFICATION

Section, act July 22, 1932, ch. 522, §18, 47 Stat. 737; Pub. L. 89-754, title X, §1016(b), Nov. 3, 1966, 80 Stat. 1293; Pub. L. 101-73, title VII, §§701(b)(2), (b)(3)(B), 711, 712, Aug. 9, 1989, 103 Stat. 412, 419; Pub. L. 104-66, title II, §2191, Dec. 21, 1995, 109 Stat. 732; Pub. L. 106-102, title VI, §606(h), Nov. 12, 1999, 113 Stat. 1455; Pub. L. 108-271, §8(b), July 7, 2004, 118 Stat. 814; Pub. L. 110-289, div. A, title II, §1204(2), July 30, 2008, 122 Stat. 2786; Pub. L. 111-203, title III, §364(a), July 21, 2010, 124 Stat. 1555, was omitted in view of the repeal of subsecs. (a) to (c) which comprised this section. Subsec. (a), which related to authorization of appropriations for certain expenses of the Federal Home Loan Bank Board, was repealed by Pub. L. 101-73, title VII, §712, Aug. 9, 1989, 103 Stat. 419. Subsec. (b), which related to assessments for administrative expenses of the Federal Housing Finance Board, was repealed by Pub. L. 110-289, div. A, title II, §1204(2), July 30, 2008, 122 Stat. 2786. Subsec. (c), which related to acquisition of property by the Director of the Office of Thrift Supervision, was repealed by Pub. L. 111-203, title III, §364(a), July 21, 2010, 124 Stat. 1555.

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-203, title III, §364(a), July 21, 2010, 124 Stat. 1555, provided that, effective 90 days after the transfer date, subsection (c) of this section is repealed. For definition of “transfer date”, see section 5301 of this title.