

(k) Bond not required; agents; fee

The Corporation as conservator or receiver of a System institution shall not be required to furnish bond and may appoint an agent or agents to assist in its duties as such conservator or receiver. All fees, compensation, and expenses of liquidation and administration shall be fixed by the Corporation and may be paid by it out of funds coming into its possession as such conservator or receiver.

(l) Consultation regarding conservatorships and receiverships

To the extent practicable—

(1) the Farm Credit Administration shall consult with the Corporation prior to taking a preresolution action concerning a System institution that may result in a conservatorship or receivership; and

(2) the Corporation, acting in the capacity of the Corporation as a conservator or receiver, shall consult with the Farm Credit Administration prior to taking any significant action impacting System institutions or service to System borrowers.

(m) Applicability

This section shall become applicable with respect to the power of the Corporation to act as a conservator or receiver on the date on which the Farm Credit Administration appoints the Corporation as a conservator or receiver under section 2183 or 2279cc of this title.

(Pub. L. 92-181, title V, §5.61C, as added Pub. L. 115-334, title V, §5412, Dec. 20, 2018, 132 Stat. 4686.)

Editorial Notes

REFERENCES IN TEXT

The Federal Rules of Civil Procedure, referred to in subsec. (b)(17), (18), are set out in the Appendix to Title 28, Judiciary and Judicial Procedure.

The Gramm-Leach-Bliley Act, referred to in subsec. (c)(15)(B)(i), is Pub. L. 106-102, Nov. 12, 1999, 113 Stat. 1338. For complete classification of this Act to the Code, see Short Title of 1999 Amendment note set out under section 1811 of this title and Tables.

The Legal Certainty for Bank Products Act of 2000, referred to in subsec. (c)(15)(B)(ii), is title IV of H.R. 5660, as enacted by Pub. L. 106-554, §1(a)(5), Dec. 21, 2000, 114 Stat. 2763, 2763A-457, which is classified to sections 27 to 27f of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title of 2000 Amendment note set out under section 1 of Title 7 and Tables.

The Commodity Exchange Act, referred to in subsec. (c)(15)(B)(iv), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, which is classified generally to chapter 1 (§1 et seq.) of Title 7, Agriculture. For complete classification of this Act to the Code, see section 1 of Title 7 and Tables.

§ 2277a-11. Investment of funds

Money of the Corporation not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States.

(Pub. L. 92-181, title V, §5.62, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1618.)

§ 2277a-12. Exemption from taxation

Notwithstanding any other provision of law, the Corporation, including its franchise, and its

capital, reserves, surplus, and income, shall be exempt from all taxation imposed by the United States, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, county, municipal, and local taxation to the same extent according to its value as other real property is taxed.

(Pub. L. 92-181, title V, §5.63, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1618.)

§ 2277a-13. Omitted**Editorial Notes**

CODIFICATION

Section, Pub. L. 92-181, title V, §5.64, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1619, which required the Farm Credit System Insurance Corporation to submit an annual report to Congress on the operations of the Corporation, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 167 of House Document No. 103-7.

§ 2277a-14. Prohibitions**(a) Corporate name****(1) Use of corporate name**

It shall be unlawful for any person or entity to use the words “Farm Credit System Insurance Corporation” or any combination of such words that would have the effect of leading the public to believe that there is any connection between such person or entity and the Corporation, by virtue of the name under which such person or entity does business.

(2) False representation**(A) By outside person or entities**

It shall be unlawful for any person or entity to falsely represent by any device, that the notes, bonds, debentures, or other obligations of the person or entity are insured or in any way guaranteed by the Corporation.

(B) System banks

It shall be unlawful for any insured System bank or person that markets insured obligations to falsely represent the extent to which or the manner in which such obligations are insured by the Corporation.

(3) Penalty

Any person or entity that willfully violates any provision of this subsection shall be fined not more than \$1,000, imprisoned for not more than 1 year, or both.

(b) Payments or distributions while in default**(1) In general**

It shall be unlawful for any insured System bank to pay any dividends on bank stock or participation certificates or interest on the capital notes or debentures of such bank (if such interest is required to be paid only out of net profits) or distribute any of the capital assets of such bank while the bank remains in default in the payment of any premium due to the Corporation.

(2) Liability of directors

Each director or officer of any insured System bank who willfully participates in the

declaration or payment of any dividend or interest or in any distribution in violation of this subsection shall be fined not more than \$1,000, imprisoned not more than 1 year, or both.

(3) Applicability

This subsection shall not apply to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.

(c) Failure to file statement or pay premium

(1) In general

Any insured System bank that willfully fails or refuses to file any certified statement or pay any premium required under this part shall be subject to a penalty of not more than \$100 for each day that such violations continue, which penalty the Corporation may recover for its use.

(2) Applicability

This subsection shall not apply to conduct with respect to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.

(d) Employment of persons convicted of criminal offenses

(1) In general

Except with the prior written consent of the Farm Credit Administration, it shall be unlawful for any person convicted of any criminal offense involving dishonesty or a breach of trust to serve as a director, officer, or employee of any System institution.

(2) Penalty

For each willful violation of paragraph (1), the institution involved shall be subject to a penalty of not more than \$100 for each day during which the violation continues, which the Corporation may recover for its use.

(e) Prohibition on uses of funds related to Federal Agricultural Mortgage Corporation

No funds from administrative accounts or from the Farm Credit System Insurance Fund may be used by the Corporation to provide assistance to the Federal Agricultural Mortgage Corporation or to support any activities related to the Federal Agricultural Mortgage Corporation.

(Pub. L. 92-181, title V, §5.65, as added Pub. L. 100-233, title III, §302, Jan. 6, 1988, 101 Stat. 1619; amended Pub. L. 101-624, title XVIII, §1837, Nov. 28, 1990, 104 Stat. 3834; Pub. L. 102-237, title V, §502(k), Dec. 13, 1991, 105 Stat. 1869; Pub. L. 115-334, title V, §5409, Dec. 20, 2018, 132 Stat. 4678.)

Editorial Notes

AMENDMENTS

2018—Subsec. (e). Pub. L. 115-334 added subsec. (e).

1991—Subsec. (d)(1). Pub. L. 102-237 struck out “insured” before “System”.

1990—Subsec. (d)(1). Pub. L. 101-624, §1837(1), substituted “insured System institution” for “insured System bank”.

Subsec. (d)(2). Pub. L. 101-624, §1837(2), substituted “institution” for “bank”.

SUBCHAPTER VI—ASSISTANCE TO FARM CREDIT SYSTEM

§§ 2278a to 2278b-11. Repealed. Pub. L. 115-334, title V, § 5411(39), Dec. 20, 2018, 132 Stat. 4683

Sections 2278a to 2278a-13 comprised part A of this subchapter “Assistance Board”.

Section 2278a, Pub. L. 92-181, title VI, §6.0, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1585, established the Farm Credit System Assistance Board.

Section 2278a-1, Pub. L. 92-181, title VI, §6.1, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1585, set out purposes of the Board.

Section 2278a-2, Pub. L. 92-181, title VI, §6.2, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1586; amended Pub. L. 102-237, title V, §502(l), Dec. 13, 1991, 105 Stat. 1869, provided for Board of Directors of the Assistance Board.

Section 2278a-3, Pub. L. 92-181, title VI, §6.3, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1587; amended Pub. L. 100-399, title II, §201(a), (b), Aug. 17, 1988, 102 Stat. 990, established the Assistance Board as a body corporate and set out its powers.

Section 2278a-4, Pub. L. 92-181, title VI, §6.4, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1588; amended Pub. L. 100-399, title II, §201(c), Aug. 17, 1988, 102 Stat. 991, related to certification of eligibility to issue preferred stock.

Section 2278a-5, Pub. L. 92-181, title VI, §6.5, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1588; amended Pub. L. 100-399, title II, §201(d), (e), Aug. 17, 1988, 102 Stat. 991, provided for ways the Board could render assistance to certified institutions.

Section 2278a-6, Pub. L. 92-181, title VI, §6.6, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1589; amended Pub. L. 100-399, title II, §201(f)–(i), Aug. 17, 1988, 102 Stat. 991; Pub. L. 101-624, title XVIII, §1843(a)(2), Nov. 28, 1990, 104 Stat. 3836, related to special powers of the Board.

Section 2278a-7, Pub. L. 92-181, title VI, §6.7, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1591; amended Pub. L. 100-399, title II, §201(j), Aug. 17, 1988, 102 Stat. 991, related to administrative and financial support for the Board.

Section 2278a-8, Pub. L. 92-181, title VI, §6.8, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1591, provided that the Board’s powers were limited to the purposes specified in this subchapter.

Section 2278a-9, Pub. L. 92-181, title VI, §6.9, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1591; amended Pub. L. 100-399, title II, §201(k), (l), Aug. 17, 1988, 102 Stat. 991; Pub. L. 102-552, title III, §301, Oct. 28, 1992, 106 Stat. 4107, provided that the Board would succeed to the assets of and assume all debts, obligations, contracts, and other liabilities of the Capital Corporation.

Section 2278a-10, Pub. L. 92-181, title VI, §6.10, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594, related to regulations and audits by and for the Board.

Section 2278a-11, Pub. L. 92-181, title VI, §6.11, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594, exempted the Board from various taxes.

Section 2278a-12, Pub. L. 92-181, title VI, §6.12, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101 Stat. 1594; amended Pub. L. 100-399, title II, §201(m), Aug. 17, 1988, 102 Stat. 991, stated that the Assistance Board and its authority would terminate on Dec. 31, 1992.

Section 2278a-13, Pub. L. 92-181, title VI, §6.13, as added Pub. L. 100-233, title II, §201, Jan. 6, 1988, 101