

1831o(e)(2)(E)(i) of this title, the appropriate Federal banking agency for a depository institution may enforce, under section 1818 of this title, the terms of—

- (1) any condition imposed in writing by the agency on the depository institution or an institution-affiliated party in connection with any action on any application, notice, or other request concerning the depository institution; or
- (2) any written agreement entered into between the agency and the depository institution or an institution-affiliated party.

**(b) Receiverships and conservatorships**

After the appointment of the Corporation as the receiver or conservator for a depository institution, the Corporation may enforce any condition or agreement described in paragraph (1) or (2) of subsection (a) imposed on or entered into with such institution or institution-affiliated party through an action brought in an appropriate United States district court.

(Sept. 21, 1950, ch. 967, §2[50], as added Pub. L. 109-351, title VII, §702(a), Oct. 13, 2006, 120 Stat. 1985.)

**§ 1831bb. Capital requirements for certain acquisition, development, or construction loans**

**(a) In general**

The appropriate Federal banking agencies may only require a depository institution to assign a heightened risk weight to a high volatility commercial real estate (HVCRE) exposure (as such term is defined under section 324.2 of title 12, Code of Federal Regulations, as of October 11, 2017, or if a successor regulation is in effect as of May 24, 2018, such term or any successor term contained in such successor regulation) under any risk-based capital requirement if such exposure is an HVCRE ADC loan.

**(b) HVCRE ADC loan defined**

For purposes of this section and with respect to a depository institution, the term “HVCRE ADC loan”—

- (1) means a credit facility secured by land or improved real property that, prior to being reclassified by the depository institution as a non-HVCRE ADC loan pursuant to subsection (d)—
  - (A) primarily finances, has financed, or refinances the acquisition, development, or construction of real property;
  - (B) has the purpose of providing financing to acquire, develop, or improve such real property into income-producing real property; and
  - (C) is dependent upon future income or sales proceeds from, or refinancing of, such real property for the repayment of such credit facility;
- (2) does not include a credit facility financing—
  - (A) the acquisition, development, or construction of properties that are—
    - (i) one- to four-family residential properties;
    - (ii) real property that would qualify as an investment in community development;

(iii) agricultural land;

(B) the acquisition or refinancing of existing income-producing real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, in accordance with the institution’s applicable loan underwriting criteria for permanent financings;

(C) improvements to existing income-producing improved real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, in accordance with the institution’s applicable loan underwriting criteria for permanent financings; or

(D) commercial real property projects in which—

(i) the loan-to-value ratio is less than or equal to the applicable maximum supervisory loan-to-value ratio as determined by the appropriate Federal banking agency;

(ii) the borrower has contributed capital of at least 15 percent of the real property’s appraised, “as completed” value to the project in the form of—

- (I) cash;
- (II) unencumbered readily marketable assets;
- (III) paid development expenses out-of-pocket; or
- (IV) contributed real property or improvements; and

(iii) the borrower contributed the minimum amount of capital described under clause (ii) before the depository institution advances funds (other than the advance of a nominal sum made in order to secure the depository institution’s lien against the real property) under the credit facility, and such minimum amount of capital contributed by the borrower is contractually required to remain in the project until the credit facility has been reclassified by the depository institution as a non-HVCRE ADC loan under subsection (d);

(3) does not include any loan made prior to January 1, 2015; and

(4) does not include a credit facility reclassified as a non-HVCRE ADC loan under subsection (d).

**(c) Value of contributed real property**

For purposes of this section, the value of any real property contributed by a borrower as a capital contribution shall be the appraised value of the property as determined under standards prescribed pursuant to section 3339 of this title, in connection with the extension of the credit facility or loan to such borrower.

**(d) Reclassification as a Non-HVRCE ADC loan**

For purposes of this section and with respect to a credit facility and a depository institution, upon—

- (1) the substantial completion of the development or construction of the real property being financed by the credit facility; and

(2) cash flow being generated by the real property being sufficient to support the debt service and expenses of the real property,

in accordance with the institution's applicable loan underwriting criteria for permanent financings, the credit facility may be reclassified by the depository institution as a Non-HVCRE ADC loan.

**(e) Existing authorities**

Nothing in this section shall limit the supervisory, regulatory, or enforcement authority of an appropriate Federal banking agency to further the safe and sound operation of an institution under the supervision of the appropriate Federal banking agency.

(Sept. 21, 1950, ch. 967, §2[51], as added Pub. L. 115-174, title II, §214, May 24, 2018, 132 Stat. 1321.)

**§ 1832. Withdrawals by negotiable or transferable instruments for transfers to third parties**

**(a) Authority of depository institution; applicability**

(1) Notwithstanding any other provision of law but subject to paragraph (2), a depository institution is authorized to permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, political, or other similar purposes and which is not operated for profit, and with respect to deposits of public funds by an officer, employee, or agent of the United States, any State, county, municipality, or political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States, or any political subdivision thereof.

**(b) "Depository institution" defined**

For purposes of this section, the term "depository institution" means—

- (1) any insured bank as defined in section 1813 of this title;
- (2) any State bank as defined in section 1813 of this title;
- (3) any mutual savings bank as defined in section 1813 of this title;
- (4) any savings bank as defined in section 1813 of this title;
- (5) any insured institution as defined in section 1724<sup>1</sup> of this title; and
- (6) any building and loan association or savings and loan association organized and operated according to the laws of the State in which it is chartered or organized; and, for purposes of this paragraph, the term "State" means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands.

<sup>1</sup> See References in Text note below.

**(c) Fine**

Any depository institution which violates this section shall be fined \$1,000 for each violation.

(Pub. L. 93-100, §2, Aug. 16, 1973, 87 Stat. 342; Pub. L. 94-222, §2, Feb. 27, 1976, 90 Stat. 197; Pub. L. 95-630, title XIII, §1301, Nov. 10, 1978, 92 Stat. 3712; Pub. L. 96-161, title I, §106, Dec. 28, 1979, 93 Stat. 1235; Pub. L. 96-221, title III, §303, Mar. 31, 1980, 94 Stat. 146; Pub. L. 97-320, title VII, §706(a), Oct. 15, 1982, 96 Stat. 1540; Pub. L. 100-86, title I, §109, Aug. 10, 1987, 101 Stat. 579.)

**Editorial Notes**

REFERENCES IN TEXT

Section 1724 of this title, referred to in subsec. (b)(5), was repealed by Pub. L. 101-73, title IV, §407, Aug. 9, 1989, 103 Stat. 363.

CODIFICATION

Section was not enacted as part of the Federal Deposit Insurance Act which comprises this chapter.

AMENDMENTS

1987—Subsec. (a)(2). Pub. L. 100-86 inserted "political," after "educational."

1982—Subsec. (a)(2). Pub. L. 97-320 inserted provisions relating to deposits of public funds.

1980—Subsec. (a). Pub. L. 96-221 designated existing provisions as par. (1) inserted provisions expanding authorization for withdrawals from selected States to the entire United States, and added par. (2).

1979—Subsec. (a). Pub. L. 96-161 inserted "New Jersey," after "New York,".

1978—Subsec. (a). Pub. L. 95-630 inserted "New York," after "Vermont,".

1976—Subsec. (a). Pub. L. 94-222 authorized withdrawals by negotiable or transferable instruments in the States of Connecticut, Rhode Island, Maine, and Vermont.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-221 effective Dec. 31, 1980, see section 306 of Pub. L. 96-221, set out as a note under section 1464 of this title.

EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-630, title XIII, §1302, Nov. 10, 1978, 92 Stat. 3712, provided that: "This title [amending this section] shall take effect upon enactment [Nov. 10, 1978]."

EFFECTIVE DATE

Section effective on thirtieth day after Aug. 16, 1973, see section 8 of Pub. L. 93-100, set out as a note under section 1469 of this title.

**§ 1833. Repealed. Pub. L. 104-208, div. A, title II, § 2224(b), Sept. 30, 1996, 110 Stat. 3009-415**

Section, Pub. L. 101-73, title IX, §918, Aug. 9, 1989, 103 Stat. 487, required certain agencies to annually report to Congress detailing civil and criminal actions and investigations undertaken during preceding 12-month period.

**§ 1833a. Civil penalties**

**(a) In general**

Whoever violates any provision of law to which this section is made applicable by subsection (c) shall be subject to a civil penalty in an amount assessed by the court in a civil action under this section.