§ 614.4351 Computation of lending and leasing limit base.

(a) Lending and leasing limit base. An institution’s lending and leasing limit base is composed of the permanent capital of the institution, as defined in §615.5201 of this chapter, with adjustments applicable to the institution provided for in §615.5207 of this chapter, and with the following further adjustments:

(1) Where one institution invests in another institution in connection with the sale of a loan participation interest, the amount of investment in the institution purchasing this participation interest that is owned by the institution originating the loan shall be counted in the lending and leasing limit base of the originating institution and shall not be counted in the lending and leasing limit base of the purchasing institution.

(2) Stock protected under section 4.9A of the Act may be included in the lending and leasing limit base until January 1, 1998.

(3) Any amounts of preferred stock not eligible to be included in total surplus as defined in §615.5301(i) of this chapter must be deducted from the lending limit base.

(b) Timing of calculation. The lending limit base will be calculated on a monthly basis as of the preceding month end.

§ 614.4352 Farm Credit Banks and agricultural credit banks.

(a) Farm Credit Banks. No Farm Credit Bank may make or discount a loan to a borrower, if the consolidated amount of all loans outstanding and undisbursed commitments to that borrower exceed 25 percent of the bank’s lending and leasing limit base.

(b) Agricultural credit banks. (1) No agricultural credit bank may make or discount a loan to a borrower under the authority of title I of the Act, if the consolidated amount of all loans outstanding and undisbursed commitments to that borrower exceeds 25 percent of the bank’s lending and leasing limit base.

(2) No agricultural credit bank may make or discount a loan to a borrower under the authority of title III of the Act, if the consolidated amount of all loans outstanding and undisbursed commitments to that borrower exceeds the lending and leasing limits prescribed in §614.4355 of this subpart.

§ 614.4353 Direct lender associations.

No association may make a loan to a borrower, if the consolidated amount of all loans outstanding and undisbursed commitments to that borrower exceeds 25 percent of the association’s lending and leasing limit base.

§ 614.4354 Federal land bank associations.

No Federal land bank association may assume endorsement liability on any loan if the total amount of the association’s endorsement liability on loans outstanding and undisbursed commitments to that borrower would exceed 25 percent of the association’s lending and leasing limit base.

§ 614.4355 Banks for cooperatives.

No bank for cooperatives may make a loan if the consolidated amount of all loans outstanding and undisbursed commitments to that borrower exceeds the following percentages of the lending and leasing limit base of the bank:

(a) Basic limit. (1) Term loans to eligible cooperatives: 25 percent.

(2) Term loans to foreign and domestic parties: 10 percent.

(3) Lease loans qualifying under §614.4810(a)(3) and applying to the lessee: 25 percent.

(4) Standby letters of credit qualifying under §614.4810: 35 percent.

(5) Guarantees qualifying under §614.4800: 35 percent.