your Debenture with other Debentures
with the same maturity date.
(b) Sale of Debentures to a third-party.
if the Secretary arranges for the sale of
your Debenture to a third-party, the
sale price may be an amount dis-
counted from the face amount of the
Debenture.

DISTRIBUTIONS BY RBICS WITH
OUTSTANDING LEVERAGE
§ 4290.1500 Restrictions on distribu-
tions to RBIC investors while RBIC
has outstanding Leverage.
(a) Restriction on distribution. If you
have outstanding Leverage, whenever
you make a distribution to your inves-
tors you must make, at the same time,
a prepayment to or for the benefit of
the third-party holder of the Debenture
sold pursuant to § 4290.1240 of this part,
accrued unpaid interest and the prin-
cipal, in whole or in part, of one or
more of your Debentures outstanding
as of the date of the distribution (sub-
ject to the terms of such Debentures).
(b) Amount of prepayment. You must
calculate the amount due the third-
party holder by multiplying the total
amount you intend to distribute by a
fraction whose numerator is the out-
standing principal of your Debenture(s)
immediately preceding your distribu-
tion, and whose denominator is the
sum of your Leverageable Capital as of
that time plus the outstanding prin-
cipal amount of your Debentures. For
purposes of the preceding sentence
"principal" means both the net proceeds
and interest accrued to date of a dis-
counted Debenture. The amount of any
payment received under this section
will be credited first against unpaid in-
terest accrued to the date of distribu-
tion and then to the principal in whole
or in part of the first Debenture you se-
lect to prepay and then to the interest
and principal in whole or in part of
such other Debenture(s) as you select
to prepay. You may elect to prepay in
whole any discounted Debenture under
this section only within five years of
its maturity date. Payments under this
section must be made on the next oc-
curring March 1 or September 1.
(c) Effect of prepayment. Subject to
the terms of the Debenture(s), you may
voluntarily prepay additional prin-
cipal, but neither mandatory nor vol-
untary prepayment will increase your
future Leverage eligibility.

§ 4290.1610 Effect of prepayment or
early redemption of Leverage on a
Trust Certificate.
(a) The rights, if any, of a RBIC to
prepay any Debenture is established by
the terms of such security, and no such
right is created or denied by the regu-
lations in this part.
(b) The Secretary’s rights to pur-
chase or prepay any Debenture without

§ 4290.1600 Secretary’s authority to
issue and guarantee Trust Certifi-
cates.
(a) Authorization. Section 384F of the
Act authorizes the Secretary to issue
TCs and to guarantee the timely pay-
ment of the principal and interest
thereon. Any such guarantee of such
TC is limited to the principal and in-
terest due on the Debentures in any
Trust or Pool backing such TC. The
full faith and credit of the United
States is pledged to the payment of all
amounts due under the guarantee of
any TC.
(b) Authority to arrange public or pri-
vate fundings of Leverage. The Secretary
in his or her discretion may arrange for
public or private financing under his or
her guarantee authority. Such financ-
ing may be accomplished by the sale of
individual Debentures, aggregations of
Debentures, or Pools or Trusts of De-
bentures.
(c) Pass-through provisions. TCs shall
provide for a pass-through to their
holders of all amounts of principal and
interest paid on the Debentures in the
Pool or Trust against which they are
issued.
(d) Formation of a Pool or Trust hold-
ing Leverage Securities. The Secretary
shall approve the formation of each
Pool or Trust. The Secretary may, in
his or her discretion, establish the size
of the Pools and their composition, the
interest rate on the TCs issued against
Trusts or Pools, fees, discounts, pre-
miums and other charges made in con-
nection with the Pools, Trusts, and
TCs, and any other characteristics of a
Pool or Trust he or she deems appro-
priate.

§ 4290.1610 Effect of prepayment or
early redemption of Leverage on a
Trust Certificate.
(a) The rights, if any, of a RBIC to
prepay any Debenture is established by
the terms of such security, and no such
right is created or denied by the regu-
lations in this part.
(b) The Secretary’s rights to pur-
chase or prepay any Debenture without

§ 4290.1620 Functions of agents, including Central Registration Agent, Selling Agent and Fiscal Agent.

(a) Agents. The Secretary may appoint or cause to be appointed agent(s) to perform functions necessary to market and service Debentures or TCs pursuant to this part.

(1) Selling Agent. As a condition of guaranteeing a Debenture, the Secretary may cause each RBIC to appoint a Selling Agent to perform functions that include, but are not limited to:
   (i) Selecting qualified entities to become pool or Trust assemblers ("Poolers").
   (ii) Receiving guaranteed Debentures as well as negotiating the terms and conditions of sales or periodic offerings of Debentures and/or TCs on behalf of RBICs.
   (iii) Directing and coordinating periodic sales of Debentures and/or TCs.
   (iv) Arranging for the production of Offering Circulars, certificates, and such other documents as may be required from time to time.

(2) Fiscal Agent. The Secretary shall appoint a Fiscal Agent to:
   (i) Establish performance criteria for Poolers.
   (ii) Monitor and evaluate the financial markets to determine those factors that will minimize or reduce the cost of funding Debentures.
   (iii) Monitor the performance of the Selling Agent, Poolers, CRA, and the Trustee.
   (iv) Perform such other functions as the Secretary, from time to time, may prescribe.

(3) Central Registration Agent. Pursuant to a contract entered into with the Secretary, the CRA, as the Secretary’s agent, will do the following with respect to the Pools or Trust Certificates for the Debentures:
   (i) Form an approved Pool or Trust;
   (ii) Issue the TCs in the prescribed form;
   (iii) Transfer the TCs upon the sale of original issue TCs in any secondary market transaction;
   (iv) Receive payments from RBICs;
   (v) Make periodic payments as scheduled or required by the terms of the TCs, and pay all amounts required to be paid upon prepayment of Debentures;
   (vi) Hold, safeguard, and release all Debentures constituting Trusts or Pools upon instructions from the Secretary;
   (vii) Remain custodian of such other documentation as the Secretary shall direct by written instructions;
   (viii) Provide for the registration of all pooled Debentures, all Pools and Trusts, and all TCs; and
   (ix) Perform such other functions as the Secretary may deem necessary to implement the provisions of this section.

(b) Functions. Either the Secretary or an agent appointed by the Secretary may perform the function of locating purchasers, and negotiating and closing the sale of Debentures and TCs.