

Pub. L. 110-289, §1153(b)(2), in second sentence, substituted “Except to the extent that action under section 4636a of this title temporarily results in a lesser number, the” for “The”.

1992—Subsec. (b). Pub. L. 102-550, in second sentence, struck out “and” after “mortgage lending industry,” and inserted “, and at least one person from an organization that has represented consumer or community interests for not less than 2 years or one person who has demonstrated a career commitment to the provision of housing for low-income households” and in third sentence, substituted “any such appointed member” for “any such member”.

1984—Subsec. (b). Pub. L. 98-440 substituted “, which shall consist of eighteen persons, five of whom” for “which shall consist of fifteen persons, one-third of whom”.

1976—Subsec. (a). Pub. L. 94-375 substituted provision establishing, in the Department of Housing and Urban Development, the position of president of the Government National Mortgage Association, to be filled by the President, by and with the consent of the Senate, for provision that the Secretary appoint the president of the Association.

1968—Subsec. (a). Pub. L. 90-448, §802(y)(1)–(6), designated existing provisions as subsec. (a), inserted provisions directing that the powers and duties of the Government National Mortgage Association shall be vested in the Secretary of Housing and Urban Development and that the Association shall be administered under the direction of the Secretary, and empowering the Secretary to adopt, amend, and repeal bylaws, and struck out provisions which related to the Board of Directors of the Federal National Mortgage Association.

Subsec. (b). Pub. L. 90-448, §802(y)(7), added subsec. (b).

1967—Pub. L. 90-19 substituted “Secretary of Housing and Urban Development” for “Housing and Home Finance Administrator”, and “the Secretary” for “said Administrator”, wherever appearing.

1966—Pub. L. 89-754 struck out subsec. (a) designation.

1965—Pub. L. 89-174 struck out next to last sentence which provided that the basic rate of compensation of the position of president of the Association shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 102-550, title XIII, §1381(h)(2), Oct. 28, 1992, 106 Stat. 3996, provided that: “The amendments made by paragraph (1) [amending this section] shall apply to the first annual appointment by the President of members to the board of directors of the Federal National Mortgage Association that occurs after the date of the enactment of this Act [Oct. 28, 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.

##### EFFECTIVE DATE OF 1965 AMENDMENT

For effective date of amendment by Pub. L. 89-174, see section 11(a) of Pub. L. 89-174, set out as an Effective Date note under section 3531 of Title 42, The Public Health and Welfare.

##### TRANSITIONAL PROVISION

Pub. L. 110-289, div. A, title I, §1162(a)(2), July 30, 2008, 122 Stat. 2781, provided that: “The amendments made by paragraph (1) [amending this section] shall not apply to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual term for such position during which the effective date under section 1163

[set out as an Effective Date of 2008 Amendment note under section 3132 of Title 5, Government Organization and Employees] occurs.”

#### POWERS AND DUTIES OF POSITION OF GNMA PRESIDENT TO REMAIN IN EFFECT UNTIL POSITION FILLED

Pub. L. 94-375, §17(e), Aug. 3, 1976, 90 Stat. 1077, provided that notwithstanding the amendment of subsec. (a) of this section, rights, powers, and duties of position of President, Government National Mortgage Association, as in effect on Aug. 2, 1976, remain in effect until the newly established position has been filled in accordance with the terms of this Act.

### § 1723a. General powers of Government National Mortgage Association and Federal National Mortgage Association

#### (a) Seal, and other matters incident to operation

Each of the bodies corporate named in section 1717(a)(2) of this title shall have power to adopt, alter, and use a corporate seal, which shall be judicially noticed; to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, Territory, or possession, or the Commonwealth of Puerto Rico, or with any political subdivision thereof, or with any person, firm, association, or corporation; to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; in its corporate name, to sue and to be sued, and to complain and to defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or other similar process, mesne or final, shall be issued against the property of the Association or against the Association with respect to its property; to conduct its business without regard to any qualification or similar statute in any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States; to lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use, and operate such property, and to sell, for cash or credit, lease, or otherwise dispose of the same, at such time and in such manner as and to the extent that it may deem necessary or appropriate; to prescribe, repeal, and amend or modify, rules, regulations, or requirements governing the manner in which its general business may be conducted; to accept gifts or donations of services, or of property, real, personal, or mixed, tangible, or intangible, in aid of any of its purposes; and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

#### (b) Determination with respect to obligations and expenditures

Except as may be otherwise provided in this subchapter, in chapter 91 of title 31, or in other laws specifically applicable to Government corporations, the Association shall determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for.

**(c) Exemption from taxation**

(1) The Association, including its franchise, capital, reserves, surplus, mortgages or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

(2) The corporation, including its franchise, capital, reserves, surplus, mortgages or other security holdings, and income, shall be exempt from all taxation now or hereafter imposed by any State, territory, possession, Commonwealth, or dependency of the United States, or by the District of Columbia, or by any county, municipality, or local taxing authority, except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent as other real property is taxed.

**(d) Appointment and compensation of personnel; use of services of other agencies**

(1) Subject to the provisions of section 1723(a) of this title, the Secretary of Housing and Urban Development shall have power to select and appoint or employ such officers, attorneys, employees, and agents of the Association, to vest them with such powers and duties, and to fix and to cause the Association to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Association may avail itself on a reimbursable basis of the use of information, services, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of the subchapter.

(2) The board of directors of the corporation shall have the power to select and appoint or employ such officers, attorneys, employees, and agents, to vest them with such powers and duties, and to fix and to cause the corporation to pay such compensation to them for their services, as the board of directors determines reasonable and comparable with compensation for employment in other similar businesses (including other publicly held financial institutions or major financial services companies) involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in paragraph (3)(C)) of the corporation shall be based on the performance of the corporation; and any such action shall be without regard to the Federal civil service and classification laws. Appointments, promotions, and separations so made shall be based on merit and efficiency, and no political tests or qualifications shall be permitted or given consideration. Each officer and employee of the corporation who is employed by the corporation prior to January 31, 1972, and who on the day previous to the beginning of

such employment will have been subject to the civil service retirement law (subch. III of ch. 83 of title 5) shall, so long as the employment of such officer or employee by the corporation continues without a break in continuity of service, continue to be subject to such law; and for the purpose of such law the employment of such officer or employee by the corporation without a break in continuity of service shall be deemed to be employment by the Government of the United States. The corporation shall contribute to the Civil Service Retirement and Disability Fund a sum as provided by section 8334(a) of title 5, except that such sum shall be determined by applying to the total basic pay (as defined in section 8331(3) of title 5 and except as hereinafter provided) paid to the employees of the corporation who are covered by the civil service retirement law, the per centum rate determined annually by the Director of the Office of Personnel Management to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in section 8334(a) of title 5. The corporation shall also pay into the Civil Service Retirement and Disability Fund such portion of the cost of administration of the fund as is determined by the Director of the Office of Personnel Management to be attributable to its employees. Notwithstanding the foregoing provisions, there shall not be considered for the purposes of the civil service retirement law that portion of the basic pay in any one year of any officer or employee of the corporation which exceeds the basic pay provided for positions listed in section 5312 of title 5 on the last day of such year: *Provided*, That with respect to any person whose employment is made subject to the civil service retirement law by section 806 of the Housing and Community Development Act of 1974, there shall not be considered for the purposes of such law that portion of the basic pay of such person in any one year which exceeds the basic pay provided for positions listed in section 5316 of such title 5 on the last day of such year. Except as provided in this subsection, the corporation shall not be subject to the provisions of title 5.

(3)(A) Not later than June 30, 1993, and annually thereafter, the corporation shall submit a report 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 on (i) the comparability of the compensation policies of the corporation with the compensation policies of other similar businesses, (ii) in the aggregate, the percentage of total cash compensation and payments under employee benefit plans (which shall be defined in a manner consistent with the corporation's proxy statement for the annual meeting of shareholders for the preceding year) earned by executive officers of the corporation during the preceding year that was based on the corporation's performance, and (iii) the comparability of the corporation's financial performance with the performance of other similar businesses. The report shall include a copy of the corporation's proxy statement for the annual meeting of shareholders for the preceding year.

(B) Notwithstanding the first sentence of paragraph (2), after October 28, 1992, the corporation may not enter into any agreement or contract to provide any payment of money or other thing of current or potential value in connection with the termination of employment of any executive officer of the corporation, unless such agreement or contract is approved in advance by the Director of the Federal Housing Finance Agency. The Director may not approve any such agreement or contract unless the Director determines that the benefits provided under the agreement or contract are comparable to benefits under such agreements for officers of other public and private entities involved in financial services and housing interests who have comparable duties and responsibilities. For purposes of this subparagraph, any renegotiation, amendment, or change after October 28, 1992, to any such agreement or contract entered into on or before October 28, 1992, shall be considered entering into an agreement or contract.

(C) For purposes of this paragraph, the term “executive officer” has the meaning given the term in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 [12 U.S.C. 4502].

(4) Notwithstanding any other provision of this section, the corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).

**(e) Prohibition against use of names; injunction; damages**

No individual, association, partnership, or corporation, except the bodies corporate named in section 1717(a)(2) of this title, shall hereafter use the words “Federal National Mortgage Association,” “Government National Mortgage Association,” or any combination of such words, as the name or a part thereof under which the individual, association, partnership, or corporation shall do business. Violations of the foregoing sentence may be enjoined by any court of general jurisdiction at the suit of the proper body corporate. In any such suit, the plaintiff may recover any actual damages flowing from such violation, and, in addition, shall be entitled to punitive damages (regardless of the existence or nonexistence of actual damages) of not exceeding \$100 for each day during which such violation is committed or repeated.

**(f) Preparation of forms of obligations and certificates**

In order that the Association may be supplied with such forms of obligations or certificates as it may need for issuance under this subchapter, the Secretary of the Treasury is authorized, upon request of the Association, to prepare such forms as shall be suitable and approved by the Association, to be held in the Treasury subject to delivery, upon order of the Association. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the

Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such forms.

**(g) Depositaries, custodians, and fiscal agents**

The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for each of the bodies corporate named in section 1717(a)(2) of this title, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and each of such bodies corporate may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

**(h), (i) Repealed. Pub. L. 102-550, title XIII, § 1381(k), Oct. 28, 1992, 106 Stat. 3997**

**(j) Audit; access to books, etc.; report of audit**

(1) The programs, activities, receipts, expenditures, and financial transactions of the corporation shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the Government Accountability Office shall have access to such books, accounts, financial records, reports, files, and such other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. A report on each such audit shall be made by the Comptroller General to the Congress. The corporation shall reimburse the Government Accountability Office for the full cost of any such audit as billed therefor by the Comptroller General.

(2) To carry out this subsection, the representatives of the Government Accountability Office shall have access, upon request to the corporation or any auditor for an audit of the corporation under subsection (1), to any books, accounts, financial records, reports, files, or other papers, things, or property belonging to or in use by the corporation and used in any such audit and to any papers, records, files, and reports of the auditor used in such an audit.

**(k) Financial reports; submission to Director; contents**

(1) The corporation shall submit to the Director of the Federal Housing Finance Agency annual and quarterly reports of the financial condition and operations of the corporation which shall be in such form, contain such information, and be submitted on such dates as the Director shall require.

(2) Each such annual report shall include—

(A) financial statements prepared in accordance with generally accepted accounting principles;

(B) any supplemental information or alternative presentation that the Director may require; and

(C) an assessment (as of the end of the corporation’s most recent fiscal year), signed by the chief executive officer and chief accounting or financial officer of the corporation, of—

(i) the effectiveness of the internal control structure and procedures of the corporation; and

(ii) the compliance of the corporation with designated safety and soundness laws.

(3) The corporation shall also submit to the Director any other reports required by the Director pursuant to section 1314 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 [12 U.S.C. 4514].

(4) Each report of financial condition shall contain a declaration by the president, vice president, treasurer, or any other officer designated by the board of directors of the corporation to make such declaration, that the report is true and correct to the best of such officer's knowledge and belief.

**(l) Independent audits of financial statements**

(1) The corporation shall have an annual independent audit made of its financial statements by an independent public accountant in accordance with generally accepted auditing standards.

(2) In conducting an audit under this subsection, the independent public accountant shall determine and report on whether the financial statements of the corporation (A) are presented fairly in accordance with generally accepted accounting principles, and (B) to the extent determined necessary by the Director, comply with any disclosure requirements imposed under subsection (k)(2)(B).

**(m) Mortgage data collection and reporting requirements**

(1) The corporation shall collect, maintain, and provide to the Director of the Federal Housing Finance Agency, in a form determined by the Director, data relating to its mortgages on housing consisting of 1 to 4 dwelling units. Such data shall include—

(A) the income, census tract location, race, and gender of mortgagors under such mortgages;

(B) the loan-to-value ratios of purchased mortgages at the time of origination;

(C) whether a particular mortgage purchased is newly originated or seasoned;

(D) the number of units in the housing subject to the mortgage and whether the units are owner-occupied; and

(E) any other characteristics that the Secretary considers appropriate, to the extent practicable.

(2) The corporation shall collect, maintain, and provide to the Director of the Federal Housing Finance Agency, in a form determined by the Director, data relating to its mortgages on housing consisting of more than 4 dwelling units. Such data shall include—

(A) census tract location of the housing;

(B) income levels and characteristics of tenants of the housing (to the extent practicable);

(C) rent levels for units in the housing;

(D) mortgage characteristics (such as the number of units financed per mortgage and the amount of loans);

(E) mortgagor characteristics (such as non-profit, for-profit, limited equity cooperatives);

(F) use of funds (such as new construction, rehabilitation, refinancing);

(G) type of originating institution; and

(H) any other information that the Secretary considers appropriate, to the extent practicable.

(3)(A) Except as provided in subparagraph (B), this subsection shall apply only to mortgages purchased by the corporation after December 31, 1992.

(B) This subsection shall apply to any mortgage purchased by the corporation after the date determined under subparagraph (A) if the mortgage was originated before such date, but only to the extent that the data referred in paragraph (1) or (2), as applicable, is available to the corporation.

**(n) Report on housing activities; contents; public disclosure**

(1) The corporation shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Director of the Federal Housing Finance Agency a report on its activities under subpart B of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 [12 U.S.C. 4561 et seq.].

(2) The report under this subsection shall—

(A) include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals established under such subpart;

(B) include, in aggregate form and by appropriate category, statements of the number of families served by the corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed;

(C) include a statement of the extent to which the mortgages purchased by the corporation have been used in conjunction with public subsidy programs under Federal law;

(D) include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers;

(E) include, in aggregate form and by appropriate category, the data provided to the Director of the Federal Housing Finance Agency under subsection (m)(1)(B);

(F) compare the level of securitization versus portfolio activity;

(G) assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending;

(H) describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress toward standardization and securitization of mortgage products for multifamily housing;

(I) describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families;

(J) describe in the aggregate the seller and servicer network of the corporation, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders;

(K) describe the activities undertaken by the corporation with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how the corporation's activities support the objectives of comprehensive housing affordability strategies under section 12705 of title 42; and

(L) include any other information that the Director of the Federal Housing Finance Agency considers appropriate.

(3)(A) The corporation shall make each report under this subsection available to the public at the principal and regional offices of the corporation.

(B) Before making a report under this subsection available to the public, the corporation may exclude from the report information that the Director of the Federal Housing Finance Agency has determined is proprietary information under section 1326 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 [12 U.S.C. 4546].

**(o) Affordable Housing Advisory Council**

(1) Not later than 4 months after October 28, 1992, the corporation shall appoint an Affordable Housing Advisory Council to advise the corporation regarding possible methods for promoting affordable housing for low- and moderate-income families.

(2) The Affordable Housing Advisory Council shall consist of 15 individuals, who shall include representatives of community-based and other nonprofit and for-profit organizations and State and local government agencies actively engaged in the promotion, development, or financing of housing for low- and moderate-income families.

(June 27, 1934, ch. 847, title III, § 309, as added Aug. 2, 1954, ch. 649, title II, § 201, 68 Stat. 620; amended Pub. L. 87-70, title VI, § 603(e), June 30, 1961, 75 Stat. 177; Pub. L. 90-448, title VIII, § 802(z)-(ee), Aug. 1, 1968, 82 Stat. 540, 541; Pub. L. 92-310, title II, § 223(c), June 6, 1972, 86 Stat. 206; Pub. L. 93-383, title VIII, § 806(k), Aug. 22, 1974, 88 Stat. 728; Pub. L. 94-375, § 17(b), Aug. 3, 1976, 90 Stat. 1076; Pub. L. 95-128, title IV, § 408(c), Oct. 12, 1977, 91 Stat. 1138; 1978 Reorg. Plan No. 2, § 102, eff. Jan. 1, 1979, 43 F.R. 36037, 92 Stat. 3783; Pub. L. 98-440, title II, §§ 208, 209, 213(a), Oct. 3, 1984, 98 Stat. 1696, 1698; Pub. L. 98-479, title II, § 203(a)(3), Oct. 17, 1984, 98 Stat. 2229; Pub. L.

100-242, title IV, § 444, Feb. 5, 1988, 101 Stat. 1922; Pub. L. 101-73, title VII, § 731(m)(3), Aug. 9, 1989, 103 Stat. 436; Pub. L. 102-550, title XIII, § 1381(j)-(q), (s)(3), Oct. 28, 1992, 106 Stat. 3996-4001; Pub. L. 108-271, § 8(b), July 7, 2004, 118 Stat. 814; Pub. L. 110-289, div. A, title I, §§ 1113(b)(1), 1161(b), July 30, 2008, 122 Stat. 2678, 2779.)

**Editorial Notes**

**REFERENCES IN TEXT**

Section 806 of the Housing and Community Development Act of 1974, referred to in subsec. (d)(2), is section 806 of Pub. L. 93-383, title VIII, Aug. 22, 1974, 88 Stat. 727. Subsection (k) of section 806 amended this subsec. (d)(2) relative to employment subject to the civil service retirement law. For complete classification of section 806 to the Code, see Tables.

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, referred to in subsec. (n)(1), (2)(A), is title XIII of Pub. L. 102-550, Oct. 28, 1992, 106 Stat. 3941. Subpart B of part 2 of subtitle A of the Act is classified generally to subpart 2 (§ 4561 et seq.) of part B of subchapter I of chapter 46 of this title. For complete classification of this Act to the Code, see Short Title note under section 4501 of this title and Tables.

**CODIFICATION**

Pub. L. 110-289, § 1161(b)(2)(C), which directed amendment of par. (3)(B) of this section, was executed to par. (3)(B) of subsec. (n) of this section, to reflect the probable intent of Congress. See 2008 Amendment note below.

**PRIOR PROVISIONS**

Prior provisions on the subject of subsecs. (a) and (c) to (e) of this section were contained in sections 1716, 1719, and 1721 of this title.

**AMENDMENTS**

2008—Subsec. (d)(3)(B). Pub. L. 110-289, § 1161(b)(1), substituted “Director of the Federal Housing Finance Agency” for “Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development”.

Subsec. (d)(4). Pub. L. 110-289, § 1113(b)(1), added par. (4).

Subsec. (k)(1). Pub. L. 110-289, § 1161(b)(1), substituted “Director of the Federal Housing Finance Agency” for “Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development”.

Subsec. (m)(1), (2). Pub. L. 110-289, § 1161(b)(2)(A), substituted “to the Director of the Federal Housing Finance Agency, in a form determined by the Director” for “to the Secretary, in a form determined by the Secretary” in introductory provisions.

Subsec. (n)(1). Pub. L. 110-289, § 1161(b)(2)(B)(i), substituted “and the Director of the Federal Housing Finance Agency” for “and the Secretary”.

Subsec. (n)(2)(E), (L). Pub. L. 110-289, § 1161(b)(2)(B)(ii), substituted “Director of the Federal Housing Finance Agency” for “Secretary”.

Subsec. (n)(3)(B). Pub. L. 110-289, § 1161(b)(2)(C), substituted “Director of the Federal Housing Finance Agency” for “Secretary”. See Codification note above.

2004—Subsec. (j). Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office” wherever appearing.

1992—Subsec. (d)(2). Pub. L. 102-550, § 1381(s)(3)(A)(ii), which directed the substitution, in last sentence, of “the basic pay of such persons” for “his basic pay”, was executed by making the substitution in penultimate sentence to reflect the probable intent of Congress, because the words “his basic pay” do not appear in last sentence.

Pub. L. 102-550, § 1381(j)(1), (s)(3)(A)(i), in first sentence, substituted “as the board of directors deter-

mines reasonable and comparable with compensation for employment in other similar businesses (including other publicly held financial institutions or major financial services companies) involving similar duties and responsibilities, except that a significant portion of potential compensation of all executive officers (as such term is defined in paragraph (3)(C) of the corporation shall be based on the performance of the corporation" for "as it may determine" and in third sentence "the employment of such officer or employee" for "his employment" in two places.

Subsec. (d)(3). Pub. L. 102-550, §1381(j)(2), added par. (3).

Subsec. (e). Pub. L. 102-550, §1381(s)(3)(B), substituted "the individual, association, partnership, or corporation" for "he or it".

Subsecs. (h), (i). Pub. L. 102-550, §1381(k), struck out subsec. (h) which related to regulatory power over Federal National Mortgage Association, approval for issuance of stock and other instruments, relation of mortgage purchases to national goal, audits, and a report to Congress and subsec. (i) which related to requests for approval submitted by Federal National Mortgage Association to Secretary, report to Congress, extension of approval period, and effect of inaction by Secretary.

Subsec. (j). Pub. L. 102-550, §1381(l), designated existing provisions as par. (1), inserted first sentence and struck out former first sentence which read as follows: "The mortgage transactions of the corporation may be subject to audit by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporation transactions under such rules and regulations as may be prescribed by the Comptroller General.", and added par. (2).

Subsecs. (k) to (o). Pub. L. 102-550, §1381(m)–(q), added subsecs. (k) to (o), respectively.

1989—Subsec. (j). Pub. L. 101-73 added subsec. (j).

1988—Subsec. (i). Pub. L. 100-242 inserted at end of second sentence " , but such 45-day period may not be extended for any other reason or for any period in addition to or other than such 15-day period".

1984—Subsec. (b). Pub. L. 98-479 substituted "chapter 91 of title 31" for "the Government Corporation Control Act".

Subsec. (h). Pub. L. 98-440, §§208, 213(a), substituted "issued by the corporation before October 1, 1985," for "issued by the Corporation" and substituted "shall, not later than June 30 of each year, report to the Congress on the activities of the corporation under this subchapter" for "shall conduct a review of the financial operations of the corporation and undertake a study of the extent to which the activities of the corporation meet the purposes of this subchapter. Such review and study shall be completed and transmitted to the Congress on or before July 1, 1978."

Subsec. (i). Pub. L. 98-440, §209, added subsec. (i).

1977—Subsec. (h). Pub. L. 95-128 inserted provision for review of the financial operations of the corporation and a study respecting how the activities of the corporation meet the purposes of this subchapter and transmittal of the review and study to the Congress.

1976—Subsec. (d)(1). Pub. L. 94-375 substituted "Subject to the provisions of section 1723(a) of this title, the Secretary" for "The Secretary".

1974—Subsec. (d)(2). Pub. L. 93-383 inserted "positions listed" before "in section 5312" and proviso relating to persons whose employment is subject to the civil service law by section 806 of the Housing and Community Development Act of 1974, and substituted reference to Jan. 31, 1972, for reference to termination of transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968.

1972—Subsec. (d)(1). Pub. L. 92-310 struck out provisions which related to bonds of officers, attorneys, employees, and agents of the Association and which permitted the Association to pay the premiums therefor.

1968—Subsec. (a). Pub. L. 90-448, §802(z), among other changes, expanded scope to include both the Govern-

ment National Mortgage Association and the Federal National Mortgage Association, substituted "conduct its business without regard to any qualification or similar statute" for "conduct its business", and struck out provisions which empowered the Federal National Mortgage Association, by its board of directors, to adopt, amend, and repeal bylaws.

Subsec. (c). Pub. L. 90-448, §802(aa), designated existing provisions as par. (1), and struck out provisions which required the Association, with respect to its secondary market operations under section 1719 of this title, to pay annually to the Secretary of the Treasury an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes with respect to such secondary market operations, and added par. (2).

Subsec. (d). Pub. L. 90-448, §802(bb), designated existing provisions as par. (1), substituted "Secretary of Housing and Urban Development" for "Chairman of the Board", and "agents of the Association" for "agents", and added par. (2).

Subsec. (e). Pub. L. 90-448, §802(cc), prohibited the use of the name Government National Mortgage Association, authorized injunctions, and permitted recovery of actual damages and punitive damages, and eliminated provisions which made violations of this subsection a misdemeanor punishable by a fine of not more than \$100 or imprisonment for not more than 30 days, or both, for each day during which the violation is committed or repeated.

Subsec. (g). Pub. L. 90-448, §802(dd), authorized and directed the Federal Reserve Banks to act for the Government National Mortgage Association, and empowered each of the bodies corporate to act as depository, custodian, and fiscal agent, for its own account or as fiduciary, and for the account of others.

Subsec. (h). Pub. L. 90-448, §802(ee), added subsec. (h). 1961—Subsec. (c). Pub. L. 87-70 inserted "or other security holdings" after "mortgages".

## Statutory Notes and Related Subsidiaries

### CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

### EFFECTIVE DATE OF 1974 AMENDMENT

Pub. L. 93-383, title VIII, §806(k), Aug. 22, 1974, 88 Stat. 728, provided that the amendment made by that section does not apply with respect to any person receiving an annuity on the date of the enactment of Pub. L. 93-383, which was approved Aug. 22, 1974.

### 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.

### TERMINATION OF ADVISORY COUNCILS

Advisory councils established after Jan. 5, 1973, to terminate not later than the expiration of the 2-year period beginning on the date of their establishment, unless, in the case of a council established by the President or an officer of the Federal Government, such council is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a council established by Congress, its duration is other-

wise provided by law. See sections 1001(2) and 1013 of Title 5, Government Organization and Employees.

**PROPOSAL BY FEDERAL NATIONAL MORTGAGE ASSOCIATION RESPECTING MORTGAGE-BACKED SECURITIES PROGRAM; APPROVAL, ETC.**

Pub. L. 96-399, title III, §330, Oct. 8, 1980, 94 Stat. 1652, provided that: "If the Federal National Mortgage Association submits to the Secretary of Housing and Urban Development or the Secretary of the Treasury, after the date of enactment of this section [Oct. 8, 1980], a proposal with respect to undertaking a mortgage-backed securities program, the Secretary of Housing and Urban Development or the Secretary of the Treasury, as the case may be, shall, within 90 days after submission of such proposal, approve the proposal or transmit to the Congress a report explaining why the proposal has not been approved."

**Executive Documents**

**TRANSFER OF FUNCTIONS**

"Director of the Office of Personnel Management" substituted for "United States Civil Service Commission" pursuant to Reorg. Plan No. 2 of 1978, §102, 43 F.R. 36037, 92 Stat. 3783, set out under section 1101 of Title 5, Government Organization and Employees, which transferred functions vested by statute in United States Civil Service Commission to Director of Office of Personnel Management (except as otherwise specified), effective Jan. 1, 1979, as provided by section 1-102 of Ex. Ord. No. 12107, Dec. 28, 1978, 44 F.R. 1055, set out under section 1101 of Title 5.

**§ 1723b. Investment of funds**

Moneys of the Association not invested in mortgages or other security holdings or in operating facilities shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(June 27, 1934, ch. 847, title III, §310, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 621; amended Pub. L. 86-372, title III, §305(b), Sept. 23, 1959, 73 Stat. 670; Pub. L. 87-70, title VI, §603(e), June 30, 1961, 75 Stat. 177; Pub. L. 88-560, title VII, §701(b)(3), Sept. 2, 1964, 78 Stat. 800.)

**Editorial Notes**

**PRIOR PROVISIONS**

Prior provisions on the subject of this section were formerly contained in section 1718 of this title.

**AMENDMENTS**

1964—Pub. L. 88-560 authorized investment of funds in participations and other instruments which are lawful investments.

1961—Pub. L. 87-70 inserted "or other security holdings" after "mortgages".

1959—Pub. L. 86-372 substituted "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds" for "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States".

**§ 1723c. Obligations, participations, or other instruments as lawful investments; acceptance as security; exempt securities**

All obligations, participations, or other instruments issued by either of the bodies cor-

porate named in section 1717(a)(2) of this title shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof. All stock, obligations, securities, participations, or other instruments issued pursuant to this subchapter shall, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States, be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission.

(June 27, 1934, ch. 847, title III, §311, as added Aug. 2, 1954, ch. 649, title II, §201, 68 Stat. 622; amended Pub. L. 88-560, title VII, §701(b)(1), Sept. 2, 1964, 78 Stat. 800; Pub. L. 90-448, title VIII, §802(ff), Aug. 1, 1968, 82 Stat. 542; Pub. L. 98-440, title II, §213(b), Oct. 3, 1984, 98 Stat. 1698; Pub. L. 102-550, title XIII, §1381(r), Oct. 28, 1992, 106 Stat. 4001.)

**Editorial Notes**

**AMENDMENTS**

1992—Pub. L. 102-550 struck out before period at end "; but all such issuances by the Association and all issuances of stock, and debt obligations convertible into stock, by the corporation shall be made only with the approval of the Secretary of Housing and Urban Development".

1984—Pub. L. 98-440 inserted "by the Association and all issuances of stock, and debt obligations convertible into stock, by the corporation".

1968—Pub. L. 90-448 substituted "either of the bodies corporate named in section 1717(a)(2) of this title" for "the Association," and inserted provisions directing that all stock, obligations, securities, participations, or other instruments issued pursuant to this subchapter be deemed to be exempt securities, and requiring approval of the Secretary for all issuances.

1964—Pub. L. 88-560 inserted ", participations, or other instruments" after "obligations".

**Statutory Notes and Related Subsidiaries**

**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.

**§ 1723d. Transfer of certain functions to Association**

The functions of the Housing and Home Finance Administrator (including the function of making payments to the Secretary of the Treasury) under section 2 of Reorganization Plan Numbered 22 of 1950, together with the notes and capital stock of the Federal National Mortgage Association held by said Administrator thereunder, are transferred to the Federal National Mortgage Association.

(Aug. 2, 1954, ch. 649, title II, §207, 68 Stat. 622.)

**Editorial Notes**

**REFERENCES IN TEXT**

Reorganization Plan Numbered 22 of 1950, referred to in text, is set out as a note under section 1717 of this title.

**CODIFICATION**

Section was enacted as part of the Housing Act of 1954, and not as part of the National Housing Act which