

**(c) Stock subscription requirements**

Stock subscriptions provided for in subsections (a) and (b)(2) of this section shall be—

- (1) based on an arithmetic average of paid-in capital and surplus over the six months preceding application and membership; and
- (2) adjusted at the close of each calendar year in accordance with an arithmetic average of paid-in capital and surplus over a period determined by the Board.

**(d) Functions of Agent members of Facility**

An Agent member of the Facility shall perform for its member credit unions those functions required by the Board to carry out this subchapter.

**(e) Withdrawal from or termination of membership**

(1) A member of the Facility whose capital stock subscription constitutes less than 5 per centum of such stock outstanding, may withdraw from membership in the Facility six months after notifying the Board of its intention to do so.

(2) A member of the Facility whose capital stock subscription constitutes 5 per centum or more of such stock outstanding, may withdraw from membership in the Facility twenty-four months after notifying the Board of its intention to do so.

(3) The Board may terminate membership in the Facility if, after opportunity for a hearing, the Board determines a member has failed to comply with any provision of this subchapter or regulation issued pursuant thereto.

(June 26, 1934, ch. 750, title III, formerly subch. III, §304, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978, 92 Stat. 3681, 3720; Pub. L. 96-221, title III, §309(a)(4), (b)(1), (2), Mar. 31, 1980, 94 Stat. 149; Pub. L. 109-351, title VII, §726(26), Oct. 13, 2006, 120 Stat. 2003; Pub. L. 116-136, div. A, title IV, §4016(a)(2), (b)(1)(B), Mar. 27, 2020, 134 Stat. 481, 482.)

**Editorial Notes****CODIFICATION**

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

**AMENDMENTS**

2020—Subsec. (b)(2). Pub. L. 116-136, §4016(b)(1)(B), substituted “all those credit unions” for “such credit unions as the Board may in its discretion determine”.

Pub. L. 116-136, §4016(a)(2), substituted “such credit unions as the Board may in its discretion determine” for “all those credit unions”.

2006—Subsec. (b)(3). Pub. L. 109-351 substituted “the affairs of such credit union” for “the affairs or such credit union”.

1980—Subsecs. (b), (c). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been made previously by Pub. L. 95-630.

Subsecs. (d), (e). Pub. L. 96-221, §309(a)(4), (b)(2), substituted “Board” for “Administrator” wherever appearing, such change having been made previously by Pub. L. 95-630, and “title” for “subchapter” wherever appearing, which for purposes of codification has been editorially translated as “subchapter”, thereby requiring no further change in text.

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 2020 AMENDMENT**

Amendment by section 4016(b)(1)(B) of Pub. L. 116-136, effective Dec. 31, 2021, see section 4016(b)(2) of Pub. L. 116-136, set out as a note under section 1795a of this title.

**EFFECTIVE DATE OF 1978 AMENDMENT**

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630 set out as a note under section 1752 of this title.

**EFFECTIVE DATE**

Section effective Oct. 1, 1979, see section 1806 of Pub. L. 95-630, set out as a note under section 1795 of this title.

**§ 1795d. Capital stock****(a) Opening of books; minimum subscription**

As soon as practicable, the Board shall open books for subscriptions to the capital stock of the Facility. The minimum subscription shall be \$50.

**(b) Requirements**

The capital stock of the Facility—

(1) shall be divided into shares having a par value of \$50 each;

(2) shall be paid for with cash or with securities of the United States or any Agency thereof in accordance with requirements the Board may impose;

(3) shall share in dividend distributions at rates determined by the Board. However, rates on the required capital stock shall be without preference; and

(4) shall not be transferred or hypothecated except as provided for herein.

**(c) Redemption of stock**

When circumstances require that all or a portion of a member’s stock be redeemed by the Facility, the Board shall pay an amount equal to what the member originally paid for the stock less any amount owed by the member to the Facility.

**(d) Use of subscription amount**

At least one-half of the payment for the subscription amount required for membership under section 1795c of this title shall be transferred to the Facility. The remainder may be held by the member on call of the Board and shall be invested in assets designated by the Board.

**(e) Restriction on advances to credit unions**

A credit union or credit union group that becomes a member of the Facility later than six months after the date the Board opens books for capital stock subscriptions, may not borrow or receive advances from the Facility without approval by the Board for a period of six months after becoming a member.

(June 26, 1934, ch. 750, title III, formerly subch. III, §305, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978, 92 Stat. 3681, 3721; Pub. L. 96-221, title III, §309(a)(2), (4), (b)(1), Mar. 31, 1980, 94 Stat. 148, 149.)

**Editorial Notes**

## CODIFICATION

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

## AMENDMENTS

1980—Subsec. (a). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator”; such change having been previously made by Pub. L. 95-630.

Subsec. (b). Pub. L. 96-221, §309(a)(2), (4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630, and in par. (3) inserted specific requirement that rates on required capital stock be without preference.

Subsecs. (c) to (e). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630.

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 1978 AMENDMENT

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

## EFFECTIVE DATE

Section effective Oct. 1, 1979, see section 1806 of Pub. L. 95-630, set out as a note under section 1795 of this title.

**§ 1795e. Extensions of credit**

(a)(1) A member may apply for an extension of credit from the Facility to meet its liquidity needs. The Board shall approve or deny any such application within five working days after receiving it. The Board shall not approve an application for credit the intent of which is to expand credit union portfolios.

(2) The Board may advance funds to a member on terms and conditions prescribed by the Board after giving due consideration to creditworthiness.

(3) The Board shall not advance funds for the benefit of a credit union whose share or deposit accounts are insured by a State share or deposit guaranty credit union, insurance corporation, or guaranty association, without consultation with the appropriate State share or deposit guaranty credit union, insurance corporation, or guaranty association.

(b) The Secretary of the Treasury is authorized to lend to the Facility up to \$500,000,000, in the event the Board certifies to the Secretary that the Facility does not have sufficient funds to meet liquidity needs of credit unions. Any such loan shall bear an interest rate not greater than one-eighth of 1 per centum above the current average market yield on outstanding obligations of the United States with remaining time to maturity comparable to the maturity of such loan. The authority of the Secretary to lend under this subsection shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts.

(June 26, 1934, ch. 750, title III, formerly subch. III, §306, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978,

92 Stat. 3681, 3721; Pub. L. 96-221, title III, §309(a)(4), (b)(1), Mar. 31, 1980, 94 Stat. 149; Pub. L. 116-136, div. A, title IV, §4016(a)(3), (b)(1)(C), Mar. 27, 2020, 134 Stat. 482.)

**Editorial Notes**

## CODIFICATION

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

## AMENDMENTS

2020—Subsec. (a)(1). Pub. L. 116-136, §4016(b)(1)(C), which directed substitution of “the intent of which is to expand credit union portfolios” for “without first having obtained evidence from the applicant that the applicant has made reasonable efforts to first use primary sources of liquidity of the applicant, including balance sheet and market funding sources, to address the liquidity needs of the applicant” in the second sentence, was executed by making the substitution in the third sentence, to reflect the probable intent of Congress.

Pub. L. 116-136, §4016(a)(3), which directed substitution of “without first having obtained evidence from the applicant that the applicant has made reasonable efforts to first use primary sources of liquidity of the applicant, including balance sheet and market funding sources, to address the liquidity needs of the applicant” for “the intent of which is to expand credit union portfolios” in the second sentence, was executed by making the substitution in the third sentence, to reflect the probable intent of Congress.

1980—Subsecs. (a), (b). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630.

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by section 4016(b)(1)(C) of Pub. L. 116-136, effective Dec. 31, 2020, see section 4016(b)(2) of Pub. L. 116-136, set out as a note under section 1795a of this title.

## EFFECTIVE DATE OF 1978 AMENDMENT

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

## EFFECTIVE DATE

Section effective Oct. 1, 1979, see section 1806 of Pub. L. 95-630, set out as a note under section 1795 of this title.

**§ 1795f. Powers of Board****(a) General authorities**

The Board on behalf of the Facility shall have the ability to—

(1) prescribe the manner in which the general business of the Facility shall be conducted;

(2) prescribe rules and regulations to carry out this subchapter;

(3) determine the expenditures incurred by the Administration to carry out this subchapter, and the expenditures incurred by the Facility to carry out subchapters I and II of this chapter, and annually assess the Facility and the Administration accordingly;