

credit, or other technical and financial assistance.

(12) Deposit its securities and its current funds with any member bank of the Federal Reserve System or any insured State nonmember bank (within the meaning of section 1813 of this title) or, to the extent necessary to facilitate transactions which may be financed under section 2128(b) of this title, any other financial organization, domestic or foreign, as may be authorized by its board of directors, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(13)(A) Buy and sell obligations of or insured by the United States or of any agency thereof, or securities backed by the full faith and credit of any such agency and make such other investments as may be authorized under regulations issued by the Farm Credit Administration.

(B) As may be authorized by its board of directors, buy from and sell to Farm Credit System institutions interests in loans and in other financial assistance extended and nonvoting stock.

(C) As may be authorized by its board of directors, and solely for the purposes of obtaining credit information and other services needed to facilitate transactions which may be financed under section 2128(b) of this title, invest in ownership interests in foreign business entities that are principally engaged in providing credit information to and performing such servicing functions for their members in connection with the members' international activities.

(14) Conduct studies and adopt standards for lending.

(15) Amend and modify loan contracts, documents, and payment schedules, and release, subordinate, or substitute security for any of them.

(16) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

(17) As may be authorized by the board of directors, maintain credit balances and pay or receive fees or interest thereon, for the purpose of assisting in the transfer of funds to or from parties to transactions that may be financed under section 2128(b) of this title: *Provided, however, That nothing herein shall authorize the banks for cooperatives to engage in the business of accepting domestic deposits.*

(18) As may be authorized by its board of directors, agree with other Farm Credit System institutions to share loan or other losses, whether to protect against capital impairment or for any other purpose.

(Pub. L. 92-181, title III, §3.1, Dec. 10, 1971, 85 Stat. 602; Pub. L. 96-592, title III, §301, Dec. 24, 1980, 94 Stat. 3443; Pub. L. 99-205, title II,

§205(e)(1), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-233, title VIII, §802(n), Jan. 6, 1988, 101 Stat. 1712; Pub. L. 100-399, title IX, §901(b), Aug. 17, 1988, 102 Stat. 1007; Pub. L. 102-552, title V, §502, Oct. 28, 1992, 106 Stat. 4130; Pub. L. 103-376, §§2, 6, Oct. 19, 1994, 108 Stat. 3497, 3500; Pub. L. 107-171, title V, §5401(a), May 13, 2002, 116 Stat. 349.)

Editorial Notes

AMENDMENTS

2002—Par. (11)(B)(iii), (iv). Pub. L. 107-171 redesignated cl. (iv) as (iii) and struck out former cl. (iii) which read as follows: “With respect to similar entities that are eligible to borrow from a Farm Credit Bank or association under subchapter I or II of this chapter, the authority of a bank for cooperatives to participate in loans to the entities under this subparagraph shall be subject to the prior approval of the Farm Credit Bank or Banks in whose chartered territory the entity is eligible to borrow. The approval may be granted on an annual basis and under such terms and conditions as may be agreed on between the bank for cooperatives and the Farm Credit Bank or Banks that serve the territory.”

1994—Par. (11)(B)(i)(I)(bb). Pub. L. 103-376, §6, substituted “other Farm Credit System institutions” for “the other banks for cooperatives under this subparagraph” and “all Farm Credit System institutions” for “all banks for cooperatives”.

Par. (11)(B)(iv). Pub. L. 103-376, §2, added cl. (iv).

1992—Par. (11). Pub. L. 102-552 designated existing provisions as subpar. (A) and added subpar. (B).

1988—Par. (12). Pub. L. 100-399 substituted “(within the meaning of section 1813 of this title)” for “as defined in section 1812 of this title.”

Pars. (12), (13)(B), (C), (17), (18). Pub. L. 100-233 struck out “and approved by the Farm Credit Administration” after “board of directors”.

1985—Pub. L. 99-205 substituted “regulation” for “supervision” in provision preceding par. (1).

Par. (13)(A). Pub. L. 99-205 inserted “under regulations issued” after “authorized”.

Pars. (16) to (19). Pub. L. 99-205 struck out par. (16) respecting power of bank for cooperatives to perform any function delegated to it by the Farm Credit Administration, and redesignated pars. (17) to (19) as (16) to (18), respectively.

1980—Par. (11). Pub. L. 96-592, §301(1), inserted provisions respecting participation with one or more other Farm Credit System institutions in loans.

Par. (12). Pub. L. 96-592, §301(2), inserted applicability to any insured State nonmember bank and to other domestic or foreign financial organizations.

Par. (13). Pub. L. 96-592, §301(3), designated existing provisions as subpar. (A) and added subpars. (B) and (C).

Pars. (18), (19). Pub. L. 96-592, §301(4), added pars. (18) and (19).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, see section 1001(a) of Pub. L. 100-399, set out as a note under section 2002 of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-205 effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as a note under section 2001 of this title.

§ 2123. Board of directors

(a) In general

Each bank for cooperatives shall elect a board of directors of such number, for such term, in

such manner, and with such qualifications as may be required in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

(b) Nomination and election

(1) In general

If approved by the stockholders through a bylaw amendment, the nomination and election of one member from a bank for cooperatives shall be carried out with each voting stockholder of a bank for cooperatives having one vote, plus a number of votes (or fractional part thereof) equal to—

(A) the number of stockholders eligible to vote; multiplied by

(B) the percentage (or fractional part thereof) of the total equity interest (including allocated, but not unallocated, surplus and reserves) in the bank of all stockholders held by the individual voting stockholder at the close of the immediately preceding fiscal year of the bank.

(2) Number of votes

The total number of votes under this subsection shall be the number of voting stockholders of a bank for cooperatives multiplied by two.

(Pub. L. 92-181, title III, §3.2, Dec. 10, 1971, 85 Stat. 603; Pub. L. 99-205, title II, §205(e)(2), Dec. 23, 1985, 99 Stat. 1705; Pub. L. 100-399, title IX, §901(d), Aug. 17, 1988, 102 Stat. 1007; Pub. L. 102-552, title V, §503, Oct. 28, 1992, 106 Stat. 4130; Pub. L. 115-334, title V, §5411(5), Dec. 20, 2018, 132 Stat. 4679.)

Editorial Notes

AMENDMENTS

2018—Pub. L. 115-334, §5411(5)(B), (C), redesignated subsec. (a)(1) as (a) and subsec. (a)(2) as (b), inserted headings, and struck out former subsec. (b) which read as follows: “The board of directors of the Central Bank for Cooperatives shall consist of one member elected by the board of each bank for cooperatives, including the United Bank for Cooperatives if the Central Bank for Cooperatives is not merged into such bank, and one member appointed by the Farm Credit Administration.”

Subsec. (a)(1). Pub. L. 115-334, §5411(5)(A)(i), struck out “not merged into the United Bank for Cooperatives or the National Bank for Cooperatives” after “Each bank for cooperatives”.

Subsec. (a)(2)(A). Pub. L. 115-334, §5411(5)(A)(ii), struck out “(other than the National Bank for Cooperatives)” after “a bank for cooperatives” in introductory provisions.

Subsec. (b)(1). Pub. L. 115-334, §5411(5)(C)(ii), (D)(ii), redesignated subsec. (a)(2)(A) and cls. (i) and (ii) thereof as subsec. (b)(1) and subpars. (A) and (B) thereof, respectively, inserted par. heading, and realigned margins.

Subsec. (b)(2). Pub. L. 115-334, §5411(5)(D)(i), (E), redesignated subsec. (a)(2)(B) as subsec. (b)(2), inserted heading, and substituted “this subsection” for “this paragraph”.

1992—Subsec. (a). Pub. L. 102-552 designated existing provisions as par. (1) and added par. (2).

1988—Subsec. (a). Pub. L. 100-399 amended subsec. (a) generally. Prior to amendment, subsec. (a) read as follows: “In the case of a district bank for cooperatives,

the board of directors shall be the farm credit district board and in the case of the Central Bank for Cooperatives shall be a separate board of not more than thirteen members, one from each farm credit district and one at large. One district director of the Central Bank Board shall be elected by each district farm credit board and the member at large shall be appointed by the Farm Credit Administration.”

Subsec. (b). Pub. L. 100-399 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “For the purposes of this section the provisions of sections 2222(b) and (c), 2225, 2226, and 2227 of this title shall apply to and shall be the authority of the Central Bank for Cooperatives the same as though it were a district bank.”

1985—Subsec. (a). Pub. L. 99-205 substituted “Farm Credit Administration” for “Governor with the advice and consent of the Federal Farm Credit Board”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-399 effective immediately after amendment made by section 401 of Pub. L. 100-233, which was effective 6 months after Jan. 6, 1988, see section 1001(b) of Pub. L. 100-399, set out as a note under section 2002 of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-205 effective thirty days after Dec. 23, 1985, see section 401 of Pub. L. 99-205, set out as a note under section 2001 of this title.

§ 2124. Stock of banks for cooperatives

(a) Amount

The Capital stock of each bank for cooperatives shall be in such amount as its board determines is required for the purpose of providing adequate capital to permit the bank to meet the credit needs of borrowers from the bank and such amounts may be increased or decreased from time to time in accordance with such needs.

(b) Value

The capital stock of each bank shall be divided into shares of par value of \$100 each and may be of such classes as the board may determine. Such stock may be issued in fractional shares.

(c) Eligible holders of voting stock

Voting stock may be issued or transferred to and held only by (i) cooperative associations eligible to borrow from the banks¹ (ii) other categories of persons and entities described in sections 2128 and 2129 of this title eligible to borrow from the bank, as determined by the bank's board of directors; and (iii) other banks for cooperatives, and shall not be otherwise transferred, pledged, or hypothecated except as consented to by the issuing bank under regulations of the Farm Credit Administration.

(d) Entitlement to vote

Each holder of one or more shares of voting stock which is eligible to borrow from a bank for cooperatives shall be entitled only to one vote and only in the affairs of the bank in the district in which its principal office is located unless otherwise authorized under regulations issued by the Farm Credit Administration, ex-

¹ So in original. There probably should be a semicolon after “banks”.