

subchapter, was classified to section 2216 of this title, prior to repeal by Pub. L. 100-233, title II, §207(a)(3), Jan. 6, 1988, 101 Stat. 1607.

PART D1—FARM CREDIT SYSTEM CAPITAL CORPORATION

§§ 2216 to 2216k. Repealed. Pub. L. 100-233, title II, § 207(a)(3), Jan. 6, 1988, 101 Stat. 1607

Section 2216, Pub. L. 92-181, title IV, §4.28A, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1680, provided for chartering of Farm Credit System Capital Corporation by Farm Credit Administration and revoked charter of Farm Credit System Capital Corporation which had been issued under part D of this subchapter.

Section 2216a, Pub. L. 92-181, title IV, §4.28B, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1680, set out purposes of Capital Corporation.

Section 2216b, Pub. L. 92-181, title IV, §4.28C, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1680, provided for Board of Directors of Capital Corporation.

Section 2216c, Pub. L. 92-181, title IV, §4.28D, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1682, provided for compensation of members of Board of Directors of Capital Corporation.

Section 2216d, Pub. L. 92-181, title IV, §4.28E, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1682, authorized Board of Directors of Capital Corporation to adopt rules.

Section 2216e, Pub. L. 92-181, title IV, §4.28F, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1682, provided for selection of chief executive officer of Capital Corporation.

Section 2216f, Pub. L. 92-181, title IV, §4.28G, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1682, enumerated corporate powers of Capital Corporation.

Section 2216g, Pub. L. 92-181, title IV, §4.28H, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1685, provided for succession of Capital Corporation.

Section 2216h, Pub. L. 92-181, title IV, §4.28I, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1685, set out provisions limiting powers of Capital Corporation.

Section 2216i, Pub. L. 92-181, title IV, §4.28J, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1686, set out authority of Secretary of the Treasury.

Section 2216j, Pub. L. 92-181, title IV, §4.28K, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1687, provided for initial capitalization of Capital Corporation.

Section 2216k, Pub. L. 92-181, title IV, §4.28L, as added Pub. L. 99-205, title I, §103, Dec. 23, 1985, 99 Stat. 1687, provided for tax status of consolidated obligations.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF REPEAL

Repeal effective 15 days after Jan. 6, 1988, see section 207(b) of Pub. L. 100-233, set out as a note under section 2152 of this title.

PART F—SALE OF INSURANCE

Editorial Notes

CODIFICATION

Pub. L. 100-399, title VII, §702(c), Aug. 17, 1988, 102 Stat. 1006, redesignated part G as F.

Pub. L. 100-233, title VIII, §805(u), Jan. 6, 1988, 101 Stat. 1716, redesignated part E as G.

§ 2218. Lines of insurance

(a) Regulatory authorization

(1) The regulations of the Farm Credit Administration governing financially related services

that the banks and associations of the Farm Credit System may provide under subchapters I and II of this chapter may authorize the sale to any member of or borrower from any such bank or association, on an optional basis, of credit or term life and credit disability insurance appropriate to protect the loan commitment in the event of death or disability of the debtors and other insurance necessary to protect the member's farm or aquatic unit, but limited to, hail and multiple-peril crop insurance, title insurance, and insurance to protect the facilities and equipment of aquatic borrowers. A member or borrower shall have the option, without coercion from the bank or association of such member or borrower, to accept or reject such insurance.

(2) In making insurance available through private insurers, the banks shall approve the programs of more than two insurers for each type of insurance offered in the district, if more than two insurers for each type of insurance have proposed programs to a bank that will, in all likelihood, have long-term viability and meet the requirements of subsection (b)(2)(D). The banks may provide comparative information relating to costs and quality of approved programs and the financial conditions of approved companies. Associations shall offer at least two insurers for each program from among those approved by the Farm Credit Banks, if at least two insurers have been approved in accordance with this paragraph.

(b) Contents of regulations

Such regulations shall provide that—

(1) in any case in which insurance is required as a condition for a loan or other financial assistance from a bank or association, notice be given that it is not necessary to purchase the insurance from the bank or association and that the borrower has the option of obtaining the insurance elsewhere;

(2) such insurance services may be offered only if—

(A) the bank or association has the capacity to render insurance service under this chapter in an effective and efficient manner;

(B) there exists the probability that any insurance program under this chapter will generate sufficient revenue to cover all costs;

(C) rendering insurance service will not have an adverse effect on the bank's or association's credit or other operations;

(D) the insurance program has been approved by the bank or association from among specific programs made available to it by insurers—

(i) meeting reasonable financial and quality of service standards; and

(ii) licensed under State law to do business in the State; and

(E) in making insurance available through approved insurers, the board of directors of the association or bank selects and offers at least two approved insurers for each type of insurance made available to the members and borrowers, if at least two insurers have been approved in accordance with subsection (a)(2); and

(3) no bank or association shall directly or indirectly discriminate in any manner against any agent, broker, or insurer that is not affiliated with such bank or association, or against any party who purchases insurance through any such nonaffiliated insurance agent, broker, or insurer.

(c) Continuation of existing coverage

Notwithstanding any provision of this section to the contrary, any bank or association that on December 24, 1980, is offering insurance coverages not authorized by this section may continue to sell such coverages for a period of not more than one year from such date and may continue to service such coverages until their expiration.

(Pub. L. 92-181, title IV, § 4.29, as added Pub. L. 96-592, title IV, § 404, Dec. 24, 1980, 94 Stat. 3448; amended Pub. L. 100-233, title IV, § 422(a), Jan. 6, 1988, 101 Stat. 1655; Pub. L. 100-399, title IV, § 411, Aug. 17, 1988, 102 Stat. 1003; Pub. L. 101-624, title XVIII, § 1834, Nov. 28, 1990, 104 Stat. 3833.)

Editorial Notes

AMENDMENTS

1990—Subsec. (a)(2). Pub. L. 101-624, § 1834(1), inserted “, if more than two insurers for each type of insurance have proposed programs to a bank that will, in all likelihood, have long-term viability and meet the requirements of subsection (b)(2)(D)” before period at end of first sentence, and “, if at least two insurers have been approved in accordance with this paragraph” before period at end of third sentence.

Subsec. (b)(2)(E). Pub. L. 101-624, § 1834(2), inserted before semicolon at end “, if at least two insurers have been approved in accordance with subsection (a)(2)”.

1988—Subsec. (a). Pub. L. 100-233, § 422(a)(1), designated existing provisions as par. (1), struck out “of this Act” to conform to style of original enactment, resulting in no change in text, inserted “or borrower from” before “any such bank”, inserted provision at end giving a member or borrower the option, without coercion from the bank or association of such member or borrower, to accept or reject such insurance, and added par. (2).

Subsec. (a)(1). Pub. L. 100-399, § 411(a), substituted “subchapters I and II of this chapter” for “sections 2019, 2033, 2076, and 2097 of this title”.

Subsec. (a)(2). Pub. L. 100-399, § 411(b), substituted “Farm Credit Banks” for “Federal intermediate credit banks”.

Subsec. (b)(2). Pub. L. 100-233, § 422(a)(2), redesignated cls. (i) to (iii) as subpars. (A) to (C), respectively, and added subpars. (D) and (E).

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.

CONTINUATION OF PROGRAM

Pub. L. 100-233, title IV, § 422(b), Jan. 6, 1988, 101 Stat. 1656, provided that: “Notwithstanding the amendments made to section 4.29 [12 U.S.C. 2218] by subsection (a), any insurance program offered by any bank or association of the Farm Credit System on the date of the enactment of this Act [Jan. 6, 1988] that does not meet the requirements of section 4.29, as so amended, may be continued until July 1, 1988.”

PART G—MISCELLANEOUS

Editorial Notes

CODIFICATION

Pub. L. 100-399, title VII, § 702(c), Aug. 17, 1988, 102 Stat. 1006, redesignated part H as G.

Pub. L. 100-233, title VIII, § 805(u), Jan. 6, 1988, 101 Stat. 1716, redesignated part F as H.

§ 2219. Limitation on separate sale

If real property is acquired by any institution of the Farm Credit System through foreclosure, no institution of the Farm Credit System shall sell the surface rights to that real property to any person unless the institution also sells all mineral rights to that real property to that person.

(Pub. L. 92-181, title IV, § 4.35, as added Pub. L. 99-205, title III, § 306, Dec. 23, 1985, 99 Stat. 1709.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

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

§ 2219a. Right of first refusal

(a) General rule

Agricultural real estate that is acquired by an institution of the System as a result of a loan foreclosure or a voluntary conveyance by a borrower (hereinafter in this section referred to as the “previous owner”) who, as determined by the institution, does not have the financial resources to avoid foreclosure (hereinafter in this section referred to as “acquired real estate”) shall be subject to the right of first refusal of the previous owner to repurchase or lease the property, as provided in this section.

(b) Application of right of first refusal to sale of property

(1) Election to sell and notification

Within 15 days after an institution of the System first elects to sell acquired real estate, or any portion of such real estate, the institution shall notify the previous owner by certified mail of the owner’s right—

(A) to purchase the property at the appraised fair market value of the property, as established by an accredited appraiser; or

(B) to offer to purchase the property at a price less than the appraised value.

(2) Eligibility to purchase

To be eligible to purchase the property under paragraph (1), the previous owner must, within 30 days after receiving the notice required by such paragraph, submit an offer to purchase the property.

(3) Mandatory sale

An institution of the System receiving an offer from the previous owner to purchase the property at the appraised value shall, within 15 days after the receipt of such offer, accept such offer and sell the property to the previous owner.