

sions set out as notes under section 2011 of this title] take effect on January 1, 2010.”

[Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of Title 7, Agriculture.]

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(4) of Pub. L. 102-237, set out as a note under section 1421 of Title 7, Agriculture.

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by sections 205 and 409(a), (e) of Pub. L. 100-399 effective as if enacted immediately after enactment of Pub. L. 100-233, which was approved Jan. 6, 1988, and amendment by section 901(m), (n) of 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 of Pub. L. 100-399, set out as a note under section 2002 of this title.

Amendment by section 207(a)(2) of Pub. L. 100-233 effective 15 days after Jan. 6, 1988, see section 207(b) of Pub. L. 100-233 set out as an Effective Date of Repeal note under section 2152 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.

REGULATIONS

Pub. L. 100-233, title IV, § 424(b), Jan. 6, 1988, 101 Stat. 1656, provided that: “Within 30 days after the date of the enactment of this Act [Jan. 6, 1988], the Farm Credit Administration shall amend its regulations as necessary to implement the amendment made by subsection (a) [amending this section].”

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in subsec. (a)(3) of this section relating to requirement to make annual reports to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 166 of House Document No. 103-7.

COMPENSATION DISCLOSURE BY FARM CREDIT SYSTEM INSTITUTIONS

Pub. L. 113-79, title V, § 5404, Feb. 7, 2014, 128 Stat. 840, provided that:

“(a) FINDINGS.—Congress finds that—

“(1) the reasonable disclosure to stockholders by Farm Credit System institutions regarding the compensation of Farm Credit System institution senior officers is beneficial to stockholders’ understanding of the operation of their institutions;

“(2) transparency regarding compensation practices reinforces the cooperative nature of Farm Credit System institutions;

“(3) the unique cooperative structure of the Farm Credit System should be considered when promulgating rules;

“(4) the participation of stockholders in the election of the boards of directors of Farm Credit System institutions provides stockholders the opportunity to participate in the management of their institutions;

“(5) as representatives of stockholders, the boards of directors of Farm Credit System institutions importantly establish and oversee the compensation practices of Farm Credit System institutions to ensure the safe and sound operation of those institutions; and

“(6) any regulation should strengthen and not hinder the ability of Farm Credit System boards of directors to oversee compensation practices.

“(b) IMPLEMENTATION.—Not later than 60 days after the date of enactment of this Act [Feb. 7, 2014], the Farm Credit Administration shall review its rules to reflect Congressional intent that a primary responsibility of the boards of directors of Farm Credit System institutions, as elected representatives of their stockholders, is to oversee compensation practices.”

REGULATORY REVIEW

Pub. L. 104-105, title II, § 212, Feb. 10, 1996, 110 Stat. 174, provided that:

“(a) FINDINGS.—Congress finds that—

“(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

“(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

“(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

“(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.”

FORBEARANCE AND RESTRUCTURING FOR FARM LOANS; FARM CREDIT ADMINISTRATION

Pub. L. 100-387, title III, § 313(b), Aug. 11, 1988, 102 Stat. 950, provided that: “It further is the sense of Congress that the Farm Credit Administration should in its oversight of Farm Credit System institutions, with respect to farmers and ranchers who suffer major losses due to drought, hail, excessive moisture, or related condition in 1988—

“(1) ensure that Farm Credit System institutions exercise forbearance in the collection of principal and interest on loans outstanding to such farmers and ranchers;

“(2) expedite the use of credit restructuring and other credit relief mechanisms authorized under the Agricultural Credit Act of 1987 [Pub. L. 100-233, Jan. 6, 1988, 101 Stat. 1568, see Tables for classification] and related provisions of law for such farmers and ranchers; and

“(3) encourage other lenders participating with Farm Credit System institutions in mutual loan agreements to exercise forbearance before declaring loans to such farmers and ranchers in default.”

§ 2253. Repealed. Pub. L. 115-334, title V, § 5411(30), Dec. 20, 2018, 132 Stat. 4682

Section, Pub. L. 92-181, title V, § 5.18, as added Pub. L. 99-205, title II, § 202(b), Dec. 23, 1985, 99 Stat. 1693, related to continued effectiveness of certain delegations made by the Farm Credit Administration through twelve months after Dec. 23, 1985.

A prior section 2253, Pub. L. 92-181, title V, § 5.19, Dec. 10, 1971, 85 Stat. 622, related to delegation of duties and powers to financial institutions, prior to repeal, effective thirty days after Dec. 23, 1985, by Pub. L. 99-205, title II, § 202(a), Dec. 23, 1985, 99 Stat. 1693.

A prior section 5.18 of Pub. L. 92-181 was renumbered section 5.17 and is classified to section 2252 of this title.

§ 2254. Examinations

(a) Scope and frequency of examinations; power, authority, and liability of examiners

Each institution of the System shall be examined by Farm Credit Administration examiners at such times as the Board may determine, but in no event less than once during each 18-month

period. Such examinations may include, if appropriate, but are not limited to, an analysis of credit and collateral quality and capitalization of the institution, and appraisals of the effectiveness of the institution's management and application of policies governing the carrying out of this chapter and regulations of the Farm Credit Administration and servicing all eligible borrowers. Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank. At the direction of the Board, Farm Credit Administration examiners also shall make examinations of the condition of any organization, other than federally regulated financial institutions, to, for, or with which any institution of the System contemplates making a loan or discounting paper. For the purposes of this chapter, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act [12 U.S.C. 21 et seq.], the Federal Reserve Act [12 U.S.C. 221 et seq.], and Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.], and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

(b) Annual report of condition

Each institution of the System shall make and publish an annual report of condition as prescribed by the Farm Credit Administration. Each such report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as the Farm Credit Administration by regulation may require. Such financial statements of System institutions shall be audited by an independent public accountant.

(c) Report of examination of noncomplying institution; publication; notice of intention

The Farm Credit Administration may publish the report of examination of any System institution that does not, before the end of the 120th day after the date of notification of the recommendations and suggestions of the Farm Credit Administration, based on such examination, comply with such recommendations and suggestions to the satisfaction of the Farm Credit Administration. The Farm Credit Administration shall give notice of intention to publish in the event of such noncompliance at least 90 days before such publication. Such notice of intention may be given any time after such notification of recommendations and suggestions.

(d) Duties of Farm Credit Administration

On receipt of a request made under section 2277a-8(b)(1)(B) of this title with respect to a System institution, the Farm Credit Administration shall—

(1) furnish for the confidential use of the Farm Credit System Insurance Corporation reports of examination of the institution and other reports or information on the institution; and

(2)(A) examine, or obtain other information on, the institution and furnish for the confidential use of the Farm Credit System Insurance Corporation the report of the examination and such other information; or

(B) if the Farm Credit Administration Board determines that compliance with the request would substantially impair the ability of the Farm Credit Administration to carry out the other duties and responsibilities of the Farm Credit Administration under this chapter, notify the Board of Directors of the Farm Credit System Insurance Corporation that the Farm Credit Administration will be unable to comply with the request.

(e) Sharing of privileged and confidential information

A System institution shall not be considered to have waived the confidentiality of a privileged communication with an attorney or an accountant if the System institution provides the content of the communication to the Farm Credit Administration pursuant to the supervisory or regulatory authorities of the Farm Credit Administration.

(Pub. L. 92-181, title V, §5.19, formerly §5.20, Dec. 10, 1971, 85 Stat. 623; renumbered §5.19 and amended Pub. L. 99-205, title II, §203(a), Dec. 23, 1985, 99 Stat. 1693; Pub. L. 99-509, title I, §1037, Oct. 21, 1986, 100 Stat. 1878; Pub. L. 100-233, title II, §205(b), title IV, §432(b), Jan. 6, 1988, 101 Stat. 1607, 1661; Pub. L. 100-399, title II, §204, title IV, §416(c), Aug. 17, 1988, 102 Stat. 993, 1004; Pub. L. 101-624, title XVIII, §1843(b), Nov. 28, 1990, 104 Stat. 3836; Pub. L. 102-552, title V, §§512, 513(b), Oct. 28, 1992, 106 Stat. 4133, 4134; Pub. L. 104-105, title II, §213, Feb. 10, 1996, 110 Stat. 175; Pub. L. 115-334, title V, §§5404, 5411(31), Dec. 20, 2018, 132 Stat. 4676, 4682.)

Editorial Notes

PRIOR PROVISIONS

A prior section 5.19 of Pub. L. 92-181 was classified to section 2253 of this title prior to repeal by Pub. L. 99-205, title II, §202(a), Dec. 23, 1985, 99 Stat. 1693.

REFERENCES IN TEXT

The National Bank Act, referred to in subsec. (a), is act June 3, 1864, ch. 106, 13 Stat. 99, which is classified principally to chapter 2 (§21 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 38 of this title.

The Federal Reserve Act, referred to in subsec. (a), is act Dec. 23, 1913, ch. 6, 38 Stat. 251, which is classified principally to chapter 3 (§221 et seq.) of this title. For complete classification of this Act to the Code, see References in Text note set out under section 226 of this title and Tables.

The Federal Deposit Insurance Act, referred to in subsec. (a), is act Sept. 21, 1950, ch. 967, §2, 64 Stat. 873, which is classified generally to chapter 16 (§1811 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.

AMENDMENTS

2018—Subsec. (a). Pub. L. 115-334, §5411(31)(A), substituted “Each institution” for “Except for Federal land bank associations, each institution” and struck out “Each Federal land bank association shall be examined by Farm Credit Administration examiners at such times as the Farm Credit Administration Board may determine, except that each such association shall be examined at least once every three years.” after “each 18-month period.”

Subsec. (b). Pub. L. 115-334, §5411(31)(B), struck out par. (1) designation before “Each institution”, struck

out “, except with respect to any actions taken by any banks of the System under section 2159(b) of this title,” after “accounting principles” and “Notwithstanding the provisions of the preceding sentence and any other provision of this chapter, for the period July 1, 1986, through December 31, 1988, the institutions of the Farm Credit System may, on the prior approval of the Farm Credit Administration and subject to such conditions as it may establish, capitalize annually their provision for losses that is in excess of one-half of 1 percent of loans outstanding and amortize such capitalized amounts over a period not to exceed 20 years.” after “may require.”, and struck out pars. (2) and (3) which read as follows:

“(2) In accordance with the regulations of the Farm Credit Administration, for the period ending December 31, 1992, System institutions are authorized to use the authorities contained in the third sentence of paragraph (1) except as otherwise provided in section 2278a-6 of this title.

“(3) Any preferred stock issued under section 2278b-7 of this title shall be subordinated to, and impaired before, other stock or equities of the institution.”

Subsec. (e). Pub. L. 115-334, §5404, added subsec. (e).

1996—Subsec. (a). Pub. L. 104-105 substituted “during each 18-month period” for “each year” in first sentence.

1992—Subsec. (a). Pub. L. 102-552, §512, substituted “may include, if appropriate” for “shall include” in third sentence.

Subsec. (d). Pub. L. 102-552, §513(b), added subsec. (d).

1990—Subsec. (a). Pub. L. 101-624 inserted after third sentence “Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.”

1988—Subsec. (a). Pub. L. 100-399, §416(c), substituted “at least once every three years” for “at least once every 5 years”.

Pub. L. 100-233, §432(b), substituted “Except for Federal land bank associations, each” for “Each”, substituted “the Board” for “the Chairman of the Board” in two places, and inserted after first sentence “Each Federal land bank association shall be examined by Farm Credit Administration examiners at such times as the Farm Credit Administration Board may determine, except that each such association shall be examined at least once every 5 years.”

Subsec. (b). Pub. L. 100-233, §205(b), designated existing provisions as par. (1) and added pars. (2) and (3).

Subsec. (b)(2). Pub. L. 100-399, §204, substituted “the third sentence of paragraph (1)” for “this section”.

1986—Subsec. (b). Pub. L. 99-509 substituted second and third sentences for former second sentence which read as follows: “Each such report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as the Farm Credit Administration by regulation may require.”

1985—Pub. L. 99-205 in amending section generally, revised and restated existing provisions in subsec. (a) and added subsecs. (b) and (c). Prior to amendment, section read as follows: “Except as provided herein, each institution of the System, and each of their agents, at such times as the Governor of the Farm Credit Administration may determine, shall be examined and audited by farm credit examiners under the direction of an independent chief Farm Credit Administration examiner, but each bank and each production credit association shall be examined and audited not less frequently than once each year. Such examinations shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of this chapter and in servicing all eligible borrowers. If the Governor determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, and in accordance with generally accepted auditing standards. Upon request of the Governor or any

bank of the System, farm credit examiners shall also make examinations and written reports of the condition of any organization, other than national banks, to which, or with which, any institution of the System contemplates making a loan or discounting paper of such organization. For the purposes of this chapter, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act [12 U.S.C. 21 et seq.], the Federal Reserve Act [12 U.S.C. 221 et seq.], the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.], and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.”

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.

RESTRAINT BY FEDERAL BANK REGULATORY AGENCIES IN OVERSEEING AGRICULTURAL BORROWERS

Pub. L. 99-198, title XIII, §1326, Dec. 23, 1985, 99 Stat. 1540, provided that:

“(a) Congress finds and declares that—

“(1) high production costs and low commodity prices have combined to reduce farm income to the lowest levels since the depths of the Depression in the 1930's, to subject many agricultural producers, through no fault of their own, to severe economic hardship, and in many cases temporarily but seriously to impair producers' ability to meet loan repayment schedules in a timely fashion; and

“(2) a policy of adverse classification of agricultural loans by bank examiners under these circumstances will trigger a wave of foreclosures and similar actions on the part of banks, thereby depressing land values and prices for agricultural facilities and equipment and having a devastating effect on farmers and the banking industry, and upon rural areas of the United States in general.

“(b) It is therefore the sense of Congress that the Federal bank regulatory agencies should ensure, in their examination procedures, that examiners exercise caution and restraint and give due consideration not only to the current cash flow of agricultural borrowers under financial stress, but to factors such as their loan collateral and ultimate ability to repay as well, for so long as the adverse economic effects of the cost-price squeeze of recent years continue to impair the ability of these borrowers to meet scheduled repayments on their loans.”

§ 2255. Conditions of other banks and lending institutions

The Comptroller of the Currency is authorized and directed, upon request of the Farm Credit Administration to furnish for confidential use of an institution of the System such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which such institution of the System has made or contemplates making discounts or loans and to make such further examination, as may be agreed, of organizations through, for, or with which such institution of the Farm Credit System has made or contemplates making discounts or loans.