

Pub. L. 92-181 and transfer to section 2279b(d) of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Enactment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as a note under section 8701 of Title 7, Agriculture.

Section effective Jan. 1, 2010, see section 5407(d) of Pub. L. 110-246, set out as an Effective Date of 2008 Amendment note under section 2252 of this title.

SUBPART 2—MERGER OF LIKE AND UNLIKE ASSOCIATIONS

§ 2279c-1. Merger of associations

(a) In general

Two or more associations within the same district, whether or not organized under the same subchapter of this chapter, may merge into a single entity (hereinafter in this subchapter referred to as a “merged association”) if the plan of merger is approved by—

- (1) the Farm Credit Administration Board;
- (2) the boards of directors of the associations;
- (3) a majority of the shareholders of each association voting, in person or by proxy, at a duly authorized stockholders’ meeting; and
- (4) the Farm Credit Bank.

(b) Powers, obligations, and consolidation

(1) Powers and obligations

Except as otherwise provided by this subchapter, a merged association shall—

- (A) possess all powers granted under this chapter to the associations forming the merged association; and
- (B) be subject to all of the obligations imposed under this chapter on the associations forming the merged association.

(2) Consolidation

The Farm Credit Administration shall issue regulations that establish the manner in which the powers and obligations of the associations that form the merged association are consolidated and, to the extent necessary, reconciled in the merged association.

(c) Stock issuance

(1) Plan of merger

Subject to section 2154a of this title, the number of shares of capital stock issued by a merged association to the stockholders of any association forming such merged association, and the rights and privileges of such shares (including voting power, preferences on liquidation, and the right to dividends), shall be determined by the plan of merger adopted by the merged associations.

(2) Capitalization

In accordance with section 2154a of this title, each merged association shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the association and the manner in which association stock shall be issued, held,

transferred, and retired, and association earnings shall be distributed.

(Pub. L. 92-181, title VII, § 7.8, as added Pub. L. 100-233, title IV, § 416, Jan. 6, 1988, 101 Stat. 1647; amended Pub. L. 100-399, title IV, § 408(k), (l), Aug. 17, 1988, 102 Stat. 1002.)

Editorial Notes

AMENDMENTS

1988—Subsec. (b)(2). Pub. L. 100-399, § 408(k), struck out second sentence, which directed that, following a merger under subsection (a) of this section, the provisions of section 2154a of this title were to be applicable to the merged association.

Subsec. (c)(2). Pub. L. 100-399, § 408(l), substituted “Capitalization” for “Plan of capitalization” as par. (2) heading and amended text generally. Prior to amendment, text read as follows: “The number of shares of capital stock, and the rights and privileges thereof, issued by a merged association after a merger shall be determined by the Board of Directors of the merged association, with the approval of the supervising bank, and shall be consistent with section 2154a of this title and the regulations issued by the Farm Credit Administration.”

Subsec. (c)(3). Pub. L. 100-399, § 408(l), struck out par. (3) which read as follows: “Voting stock of a merged association shall be issued to and held by farmers, ranchers, or producers or harvesters of aquatic products who are or were, immediately prior to the merger, direct borrowers from one of the associations forming the merged association or the supervising bank of such merged association.”

Subsec. (d). Pub. L. 100-399, § 408(l), struck out subsec. (d) which read as follows: “The plan of merger shall provide for the issuance, transfer, and retirement of stock and the distribution of earnings in accordance with the provisions of section 2154a of this title.”

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.

SUBPART 3—RECONSIDERATION

§ 2279c-2. Reconsideration

(a) Period

A stockholder vote in favor of—

- (1) the merger of districts under this chapter;
- (2) the merger of banks within a district under section 2279a of this title;
- (3) the transfer of the lending authority of a Federal land bank or a merged bank having a Federal land bank as one of its constituents, under section 2279b of this title;
- (4) the merger of two or more associations under section 2279c-1 or 2279f-1 of this title;
- (5) the termination of the status of an institution as a System institution under section 2279d of this title; or
- (6) the merger of similar banks under section 2279f of this title;

shall not take effect except in accordance with subsection (b).

(b) Reconsideration

(1) Notice

Not later than 30 days after a stockholder vote in favor of any of the actions described in

subsection (a), the officer or employee that records such vote shall ensure that all stockholders of the voting entity receive notice of the final results of the vote.

(2) Effective date

A voluntary merger, transfer, or termination that is approved by a vote of the stockholders of two or more banks or associations shall not take effect until the expiration of 30 days after the date on which the stockholders of such banks or associations are notified of the final result of the vote in accordance with paragraph (1).

(3) Petition filed

If a petition for reconsideration of a merger, transfer, or termination vote, signed by at least 15 percent of the stockholders of one or more of the affected banks or associations, is presented to the Farm Credit Administration within 30 days after the date of the notification required under paragraph (1)—

(A) a voluntary merger, transfer, or termination shall not take effect until the expiration of 60 days after the date on which the stockholders were notified of the final result of the vote; and

(B) a special meeting of the stockholders of the affected banks or associations shall be held during the period referred to in subparagraph (A) to reconsider the vote.

(4) Vote on reconsideration

If a majority of stockholders of any one of the affected banks or associations voting, in person or by written proxy, at a duly authorized stockholders' meeting, vote against the proposed merger, transfer, or termination, such action shall not take place.

(5) Failure to file petition

If a petition for reconsideration of such vote is either not filed prior to the 60th day after the vote or, if timely filed, is not signed by at least 15 percent of the stockholders, the merger, transfer, or termination shall become effective in accordance with the plan of merger, transfer, or termination.

(Pub. L. 92-181, title VII, §7.9, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1648; amended Pub. L. 100-399, title IV, §408(n), (o), Aug. 17, 1988, 102 Stat. 1002; Pub. L. 115-334, title V, §5411(40), Dec. 20, 2018, 132 Stat. 4683.)

Editorial Notes

AMENDMENTS

2018—Subsec. (c). Pub. L. 115-334 struck out subsec. (c) which related to special reconsideration regarding the organization as a separate association by certain associations that had voluntarily merged with one or more associations.

1988—Subsec. (a)(1). Pub. L. 100-399, §408(n)(1), substituted “this chapter” for “section 2252(a)(2) of this title”.

Subsec. (a)(4). Pub. L. 100-399, §408(n)(5), redesignated par. (5) as (4).

Pub. L. 100-399, §408(n)(2), inserted reference to section 2279f-1 of this title.

Subsec. (a)(5). Pub. L. 100-399, §408(n)(5), redesignated par. (6) as (5). Former par. (5) redesignated (4).

Pub. L. 100-399, §408(n)(3), substituted “or” for “and”.

Subsec. (a)(6). Pub. L. 100-399, §408(n)(5), redesignated par. (7) as (6). Former par. (6) redesignated (5).

Pub. L. 100-399, §408(n)(4), substituted “section 2279f” for “section 2279f-1”.

Subsec. (a)(7). Pub. L. 100-399, §408(n)(5), redesignated par. (7) as (6).

Subsec. (b)(2). Pub. L. 100-399, §408(o), struck out comma before “shall not take effect” and substituted “such banks or” for “such”.

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.

SUBPART 4—TERMINATION AND DISSOLUTION OF INSTITUTIONS

Editorial Notes

CODIFICATION

Pub. L. 100-399, title IV, §408(m), Aug. 17, 1988, 102 Stat. 1002, redesignated subpart 3 as 4.

§ 2279d. Termination of System institution status

(a) Conditions

A System institution may terminate the status of the institution as a System institution if—

(1) the institution provides written notice to the Farm Credit Administration Board not later than 90 days prior to the proposed termination date;

(2) the termination is approved by the Farm Credit Administration Board;

(3) the appropriate Federal or State authority grants approval to charter the institution as a bank, savings and loan association, or other financial institution;

(4) the institution pays to the Farm Credit Insurance Fund the amount by which the total capital of the institution exceeds 6 percent of the assets;

(5) the institution pays or makes adequate provision for payment of all outstanding debt obligations of the institution;

(6) the termination is approved by a majority of the stockholders of the institution voting, in person or by written proxy, at a duly authorized stockholders' meeting, held prior to giving notice to the Farm Credit Administration Board; and

(7) the institution meets such other conditions as the Farm Credit Administration Board by regulation considers appropriate.

(b) Effect

On termination of its status as a System institution—

(1) the Farm Credit Administration Board shall revoke the charter of the institution; and

(2) the institution shall no longer be an instrumentality of the United States under this chapter.

(Pub. L. 92-181, title VII, §7.10, as added Pub. L. 100-233, title IV, §416, Jan. 6, 1988, 101 Stat. 1650; amended Pub. L. 115-334, title V, §5411(41), Dec. 20, 2018, 132 Stat. 4683.)

Editorial Notes

AMENDMENTS

2018—Subsec. (a)(4). Pub. L. 115-334 added par. (4) and struck out former par. (4) which read as follows: “the