

Subsec. (a)(3). Pub. L. 110-289, §1118, added par. (3).  
 Subsec. (f). Pub. L. 110-289, §1201, added subsec. (f).  
 1998—Subsec. (b)(9) to (12). Pub. L. 105-276, which directed the amendment of subsec. (b) by redesignating pars. (9) to (11) as (10) to (12), respectively, and adding a new par. (9) which read “default loss protection levels under section 1454(a)(2)(D) of this title;” was repealed by Pub. L. 105-277, effective upon enactment of Pub. L. 105-276.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-277, div. A, §122, Oct. 21, 1998, 112 Stat. 2681-546, provided that the amendment made by section 122 is effective upon enactment of Pub. L. 105-276 (Oct. 21, 1998).

#### § 4513a. Federal Housing Finance Oversight Board

##### (a) In general

There is established the Federal Housing Finance Oversight Board, which shall advise the Director with respect to overall strategies and policies in carrying out the duties of the Director under this chapter.

##### (b) Limitations

The Board may not exercise any executive authority, and the Director may not delegate to the Board any of the functions, powers, or duties of the Director.

##### (c) Composition

The Board shall be comprised of 4 members, of whom—

- (1) 1 member shall be the Secretary of the Treasury;
- (2) 1 member shall be the Secretary of Housing and Urban Development;
- (3) 1 member shall be the Chairman of the Securities and Exchange Commission; and
- (4) 1 member shall be the Director, who shall serve as the Chairperson of the Board.

##### (d) Meetings

###### (1) In general

The Board shall meet upon notice by the Director, but in no event shall the Board meet less frequently than once every 3 months.

###### (2) Special meetings

Either the Secretary of the Treasury, the Secretary of Housing and Urban Development, or the Chairman of the Securities and Exchange Commission may, upon giving written notice to the Director, require a special meeting of the Board.

##### (e) Testimony

On an annual basis, the Board shall testify before Congress regarding—

- (1) the safety and soundness of the regulated entities;
- (2) any material deficiencies in the conduct of the operations of the regulated entities;
- (3) the overall operational status of the regulated entities;
- (4) an evaluation of the performance of the regulated entities in carrying out their respective missions;
- (5) operations, resources, and performance of the Agency; and

(6) such other matters relating to the Agency and its fulfillment of its mission, as the Board determines appropriate.

(Pub. L. 102-550, title XIII, §1313A, as added Pub. L. 110-289, div. A, title I, §1103(a), July 30, 2008, 122 Stat. 2665.)

#### Editorial Notes

##### REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original “this title”, meaning title XIII of Pub. L. 102-550, Oct. 28, 1992, 106 Stat. 3941, which is classified principally to this chapter. For complete classification of title XIII to the Code, see Short Title note set out under section 4501 of this title and Tables.

#### § 4513b. Prudential management and operations standards

##### (a) Standards

The Director shall establish standards, by regulation or guideline, for each regulated entity relating to—

- (1) adequacy of internal controls and information systems taking into account the nature and scale of business operations;
- (2) independence and adequacy of internal audit systems;
- (3) management of interest rate risk exposure;
- (4) management of market risk, including standards that provide for systems that accurately measure, monitor, and control market risks and, as warranted, that establish limitations on market risk;
- (5) adequacy and maintenance of liquidity and reserves;
- (6) management of asset and investment portfolio growth;
- (7) investments and acquisitions of assets by a regulated entity, to ensure that they are consistent with the purposes of this chapter and the authorizing statutes;
- (8) overall risk management processes, including adequacy of oversight by senior management and the board of directors and of processes and policies to identify, measure, monitor, and control material risks, including reputational risks, and for adequate, well-tested business resumption plans for all major systems with remote site facilities to protect against disruptive events;
- (9) management of credit and counterparty risk, including systems to identify concentrations of credit risk and prudential limits to restrict exposure of the regulated entity to a single counterparty or groups of related counterparties;
- (10) maintenance of adequate records, in accordance with consistent accounting policies and practices that enable the Director to evaluate the financial condition of the regulated entity; and
- (11) such other operational and management standards as the Director determines to be appropriate.

##### (b) Failure to meet standards

###### (1) Plan requirement

###### (A) In general

If the Director determines that a regulated entity fails to meet any standard established under subsection (a)—