

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 (9) which read “default loss protection levels under section 1454(a)(2)(D) of this title;” was repealed by Pub.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)—

(i) if such standard is established by regulation, the Director shall require the regulated entity to submit an acceptable plan to the Director within the time allowed under subparagraph (C); and

(ii) if such standard is established by guideline, the Director may require the regulated entity to submit a plan described in clause (i).

(B) Contents

Any plan required under subparagraph (A) shall specify the actions that the regulated entity will take to correct the deficiency. If the regulated entity is undercapitalized, the plan may be a part of the capital restoration plan for the regulated entity under section 4622 of this title.

(C) Deadlines for submission and review

The Director shall by regulation establish deadlines that—

(i) provide the regulated entities with reasonable time to submit plans required under subparagraph (A), and generally require a regulated entity to submit a plan not later than 30 days after the Director determines that the entity fails to meet any standard established under subsection (a); and

(ii) require the Director to act on plans expeditiously, and generally not later than 30 days after the plan is submitted.

(2) Required order upon failure to submit or implement plan

If a regulated entity fails to submit an acceptable plan within the time allowed under paragraph (1)(C), or fails in any material respect to implement a plan accepted by the Director, the following shall apply:

(A) Required correction of deficiency

The Director shall, by order, require the regulated entity to correct the deficiency.

(B) Other authority

The Director may, by order, take one or more of the following actions until the deficiency is corrected:

(i) Prohibit the regulated entity from permitting its average total assets (as such term is defined in section 4516(b) of this title) during any calendar quarter to exceed its average total assets during the preceding calendar quarter, or restrict the rate at which the average total assets of the entity may increase from one calendar quarter to another.

(ii) Require the regulated entity—

(I) in the case of an enterprise, to increase its ratio of core capital to assets.

(II) in the case of a Federal Home Loan Bank, to increase its ratio of total capital (as such term is defined in section 1426(a)(5) of this title) to assets.

(iii) Require the regulated entity to take any other action that the Director determines will better carry out the purposes of this section than any of the actions described in this subparagraph.

(3) Mandatory restrictions

In complying with paragraph (2), the Director shall take one or more of the actions de-

scribed in clauses (i) through (iii) of paragraph (2)(B) if—

(A) the Director determines that the regulated entity fails to meet any standard prescribed under subsection (a);

(B) the regulated entity has not corrected the deficiency; and

(C) during the 18-month period before the date on which the regulated entity first failed to meet the standard, the entity underwent extraordinary growth, as defined by the Director.

(c) Other enforcement authority not affected

The authority of the Director under this section is in addition to any other authority of the Director.

(Pub. L. 102-550, title XIII, § 1313B, as added Pub. L. 110-289, div. A, title I, § 1108, July 30, 2008, 122 Stat. 2672.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsec. (a)(7), 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.

§ 4514. Authority to require reports by regulated entities

(a) Regular and special reports

(1) Regular reports

The Director may require, by general or specific orders, a regulated entity to submit regular reports, including financial statements determined on a fair value basis, on the condition (including financial condition), management, activities, or operations of the regulated entity, as the Director considers appropriate (in addition to the annual and quarterly reports required under section 1723a(k) of this title and section 1456(c) of this title).

(2) Special reports

The Director may also require, by general or specific orders, a regulated entity to submit special reports on any of the topics specified in paragraph (1) or any other relevant topics, if, in the judgment of the Director, such reports are necessary to carry out the purposes of this chapter.

(3) Limitation

The Director may not require the inclusion, in any report pursuant to paragraph (1) or (2), of any information that is not reasonably obtainable by the regulated entity.

(4) Notice and declaration

The Director shall notify the regulated entity, a reasonable period in advance of the date for submission of any report under this subsection, of any specific information to be contained in the report and the date for the submission of the report. Each report under this subsection shall contain a declaration by the president, vice president, treasurer, or any other officer designated by the board of directors of the regulated entity to make such dec-