

§ 620.15

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accountant or external auditor has performed such a review under the supervision of the institution's audit committee. If such a statement is made, the report of a qualified public accountant or external auditor on such review must accompany the interim financial information.

(d) *Notices.* Institutions using the quarterly report to deliver any notice required under § 620.15 must put the notice information at the beginning of the quarterly report. The notice must be conspicuous and may not be part of any footnotes to the quarterly report.

[51 FR 21341, June 12, 1986, as amended at 53 FR 3337, Feb. 5, 1988. Redesignated and amended at 56 FR 29421, 29424, June 27, 1991; 67 FR 16633, Apr. 8, 2002; 71 FR 5765, Feb. 2, 2006; 74 FR 28600, June 17, 2009; 77 FR 60600, Oct. 3, 2012]

Subpart D—Notice to Shareholders

SOURCE: 62 FR 15093, Mar. 31, 1997, unless otherwise noted.

§ 620.15 Notice of significant or material events.

When a Farm Credit bank or association determines that it has a significant or material event, the institution must prepare and provide to its shareholders and the Farm Credit Administration a notice disclosing the event(s).

(a) Each bank and association board of directors must establish and maintain a policy identifying the categories and types of events that may result in a notice under this section. At a minimum, events covered under this provision include significant events defined in § 620.1(q) and material events defined in § 620.1(h). The policy must identify how the significance or materiality of an event will be determined.

(b) A notice issued under this section must be made as soon as possible, but not later than 90 days after occurrence of the event.

(1) Each institution must electronically provide the notice to the Farm Credit Administration at the same time as distribution of the notice to shareholders.

(2) Delivery of the notice to shareholders may be accomplished by direct communications with the shareholders,

posting the notice on the institution's Web site, as part of the quarterly report to shareholders, or by publishing the notice in any publication with circulation wide enough to reasonably assure that all of the institution's shareholders have access to the information in a timely manner. No matter how the notice is distributed, it must comply with all the provisions of this section.

(c) Every notice must be dated and signed in a manner similar to the requirements of § 620.3(b).

(d) The information required to be included in a notice issued under this section must be conspicuous, easily understandable, complete, accurate, and not misleading.

(e) A Farm Credit System institution may be required to issue a notice under this section at the direction of the Farm Credit Administration.

[77 FR 60600, Oct. 3, 2012]

§ 620.17 Special notice provisions for events related to minimum permanent capital.

(a) When a Farm Credit bank or association determines that it is not in compliance with the minimum permanent capital standard prescribed under § 615.5205 of this chapter, that institution must prepare and provide to its shareholders and the Farm Credit Administration a notice stating that the institution has initially determined it is not in compliance with minimum permanent capital standards. Such notice must be given within 30 days following the month end.

(b) When notice is given under paragraph (a) of this section, the institution must also notify its shareholders and the Farm Credit Administration when the institution's permanent capital ratio decreases by one half of 1 percent or more from the level reported in the original notice, or from that reported in a subsequent notice provided under this paragraph. This notice must be given within 45 days following the end of every quarter at which the institution's permanent capital ratio decreases as specified.

(c) Each institution required to prepare a notice under paragraph (a) or (b) of this section shall provide the notice to shareholders or publish it in any publication with circulation wide