

Farm Credit Administration

§ 652.50

§ 652.45 Divestiture of ineligible non-program investments.

(a) *Divestiture requirements*—(1) *Initial divestiture requirements.* Within 6 months of this rule's effective date, you must divest of all ineligible non-program investments or securities unless we approve, in writing, a plan that authorizes you to divest the instruments over a longer period of time. An acceptable plan generally would require you to divest of the ineligible investments or securities as quickly as possible without substantial financial loss.

(2) *Subsequent divestiture requirements.* Subsequent to the initial divestiture period set forth in paragraph (a)(1) of this section, you must divest of an ineligible non-program investment or security within 6 months unless we approve, in writing, a plan that authorizes you to divest the instrument over a longer period of time. An acceptable plan generally would require you to divest of the ineligible investment or security as quickly as possible without substantial financial loss.

(b) *Reporting requirements.* Until you divest of the ineligible non-program investment or security, you must report at least quarterly to your board of directors and to FCA's Office of Secondary Market Oversight about the status and performance of the ineligible instrument, the reasons why it remains ineligible, and the manager's progress in divesting of the investment.

EFFECTIVE DATE NOTE: At 77 FR 66382, Nov. 5, 2012, § 652.45 was revised, effective 30 days after publication in the FEDERAL REGISTER during which either or both Houses of Congress are in session. For the convenience of the user, the revised text is set forth as follows:

§ 652.45 Temporary regulatory waivers or modifications for extraordinary situations.

Whenever the FCA determines that an extraordinary situation exists that necessitates a temporary regulatory waiver or modification, the FCA may, in its sole discretion:

(a) Modify or waive the minimum liquidity reserve requirement in § 652.40 of this subpart;

(b) Modify the amount, qualities, and types of eligible investments that you are author-

ized to hold pursuant to § 652.20 of this subpart; and/or

(c) Take other actions as deemed appropriate.

Subpart B—Risk-Based Capital Requirements

SOURCE: 71 FR 77253, Dec. 26, 2006, unless otherwise noted.

§ 652.50 Definitions.

For purposes of this subpart, the following definitions will apply:

AgVantage Plus means both the product by that name used by Farmer Mac and other similarly structured program volume that Farmer Mac might finance in the future under other names. Those AgVantage securities with initial principal amounts under \$25 million and whose issuers were part of the original AgVantage program are excluded from this definition.

Farmer Mac, Corporation, you, and your means the Federal Agricultural Mortgage Corporation and its affiliates as defined in subpart A of this part.

Our, us, or we means the Farm Credit Administration.

Regulatory capital means the sum of the following as determined in accordance with generally accepted accounting principles:

(1) The par value of outstanding common stock;

(2) The par value of outstanding preferred stock;

(3) Paid-in capital, which is the amount of owner investment in Farmer Mac in excess of the par value of stock;

(4) Retained earnings; and,

(5) Any allowances for losses on loans and guaranteed securities.

Risk-based capital means the amount of regulatory capital sufficient for Farmer Mac to maintain positive capital during a 10-year period of stressful conditions as determined by the risk-based capital stress test described in § 652.65.

Rural utility guarantee fee means the actual guarantee fee charged for off-balance sheet volume and the earnings spread over Farmer Mac's funding costs for on-balance sheet volume on rural utility loans.

[71 FR 77253, Dec. 26, 2006, as amended at 76 FR 23467, April 27, 2011]