Public Law 100-399
100th Congress

An Act

To make technical corrections to the agricultural credit laws.

Aug. 17, 1988
[H.R. 3980]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Agricultural Credit Technical Corrections Act of 1988.
Banks and banking.
Rural areas.
Securities.
12 USC 2001 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Credit Technical Corrections Act of 1988".

SEC. 2. REFERENCES.

(a) FARM CREDIT ACT OF 1971.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.).

(b) THE 1987 ACT.—As used in this Act, the term "the 1987 Act" means the Agricultural Credit Act of 1987.

TITLE I—AMENDMENTS RELATED TO TITLE I OF THE 1987 ACT

SEC. 101. AMENDMENTS RELATED TO SECTION 101 OF THE 1987 ACT.

(a) Section 4.9A, as in effect immediately before the enactment of the 1987 Act, is hereby repealed. 12 USC 2161.

(b) Section 4.9A(a), as added by section 101 of the 1987 Act, is amended by striking out the second sentence. 12 USC 2162.

(c) Section 4.9A(c), as added by section 101 of the 1987 Act, is amended to read as follows:

"(c) INABILITY TO RETIRE STOCK AT PAR VALUE.—If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the receiver of the institution shall retire such stock at par value as would have been retired in the ordinary course of business of the institution, and—

"(1) during the 5-year period beginning on the date of the enactment of the Agricultural Credit Act of 1987, the Assistance Board shall direct the Financial Assistance Corporation to provide the receiver with sufficient funds to enable the receiver to carry out this subsection; and

"(2) after such 5-year period, the Farm Credit System Insurance Corporation shall provide the receiver with sufficient funds from the Farm Credit Insurance Fund to enable the receiver to carry out this subsection.".

(d) Section 4.9A(d)(2)(B), as added by section 101 of the 1987 Act, is amended—

(1) by striking out "required" and all that follows through "made" and inserting in lieu thereof "issued or allocated"; and

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(2) by striking out "4.9B" and inserting in lieu thereof "4.3A".

SEC. 102. AMENDMENTS RELATED TO SECTION 102 OF THE 1987 ACT.

12 USC 2202a.

(a) Section 4.14A(a) is amended by striking out "(other than in sections 4.17 and 4.18)".

(b) Section 4.14A(a)(6)(B) is amended—

(1) by striking out "2.3(a)(2)" and inserting in lieu thereof "1.7(b)(1)(B)"; and

(2) by striking out "2.3(a)" and inserting in lieu thereof "1.7(b)(1)".

(c) Section 4.14A(e)(1) is amended by striking out "a qualified" the second place it appears and inserting in lieu thereof "such qualified".

(d) Section 4.14A(g)(1) is amended by striking out "farm credit district" and inserting in lieu thereof "bank".

(e) Section 4.14A(g)(3) is amended by striking out "district board" and inserting "bank board".

(f) Section 4.14A(l) is amended by striking out "Federal intermediate credit bank" and inserting in lieu thereof "Farm Credit Bank".

12 USC 2202b.

(g) Section 4.14B(a) is amended—

(1) by amending the heading to read as follows:

"(a) FARM CREDIT BANK.—";

(2) by striking out "a Federal land bank" and inserting in lieu thereof "a Farm Credit Bank"; and

(3) by striking out "the Federal land bank shall" and inserting in lieu thereof ", to the extent provided for in the bylaws of the bank relating to its capitalization, the bank shall".

12 USC 2202c.

(h) Section 4.14C(b)(1) is amended by striking out "district board of such district" and inserting in lieu thereof "Farm Credit Bank board".

SEC. 103. AMENDMENTS RELATED TO SECTION 106 OF THE 1987 ACT.

12 USC 2202.

(a) Section 4.14(b)(1) is amended by striking out "by a" and inserting in lieu thereof "before the".

(b) Section 4.14(d)(1) is amended by inserting "or (2)" after "(b)(1)".

SEC. 104. AMENDMENTS RELATED TO SECTION 108 OF THE 1987 ACT.

12 USC 2219a.

(a) Section 4.36(b)(2) is amended by striking out "15" and inserting in lieu thereof "30".

(b) Section 4.36(b)(3) is amended by striking out "30" and inserting in lieu thereof "15".

(c) Section 4.36(g) is amended by striking out "former borrower" and inserting in lieu thereof "previous owner".

TITLE II—AMENDMENTS RELATED TO TITLE II OF THE 1987 ACT

SEC. 201. AMENDMENTS RELATED TO SECTION 201 OF THE 1987 ACT.

12 USC 2278a-3, 2278b-4.

(a) Sections 6.3(a)(12) and 6.24(a)(12) are each amended by striking out "(as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))" and inserting in lieu thereof "(within the meaning of section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813))".

(b) Sections 6.3(b) and 6.24(b) are each amended by striking out "original" and inserting in lieu thereof "exclusive".

(c) Section 6.4 is amended by redesignating the second subsection (c) and subsection (d), as subsections (d) and (e), respectively. 12 USC 2278a-4.

(d) Section 6.5(d) is amended by striking out "No" and inserting in lieu thereof "Except as provided in section 410(c) of the Agricultural Credit Act of 1987, no". 12 USC 2278a-5.

(e) Section 6.5 is amended by striking out "the appropriate provision of" each place it appears.

(f) Section 6.6(a)(8)(B) is amended by striking out "under sections 5.5 and 5.17(a)(15)". 12 USC 2278a-6.

(g) Section 6.6(a)(9) is amended by striking out "may".

(h) Section 6.6(b)(1) is amended by striking out "(a)(8)" and inserting in lieu thereof "(a)(9)".

(i) Section 6.6(b)(2) is amended by striking out "the appropriate provision of".

(j) Section 6.7(d) is amended— 12 USC 2278a-7.

(1) by inserting a comma after "material"; and

(2) by striking out "under terms" and all that follows through "acceptable" and inserting in lieu thereof "under such terms and conditions, acceptable".

(k) The heading of section 6.9(a) is amended by inserting "ASSETS AND" before "LIABILITIES". 12 USC 2278a-9.

(l) Section 6.9(e)(5) is amended—

(1) by inserting "activation of" after the first comma; and

(2) by striking out the close quotation mark and the period that follows.

(m) Section 6.12 is amended by inserting "to the Assistance Board" after "provided". 12 USC 2278a-12.

(n) Section 6.13(d) is amended by inserting ", for return to the revolving fund established under section 4.0," before "the full". 12 USC 2278a-13.

(o) Section 6.22(a)(1) is amended by striking out "Act" and inserting in lieu thereof "subtitle". 12 USC 2278b-2.

(p) Subsections (c)(2)(D) and (d)(1)(D) of section 6.26 are each amended— 12 USC 2278b-6.

(1) by inserting "and Federal land banks" after "credit banks"; and

(2) by striking out "production credit".

(q) Subsections (c)(2)(D) and (d)(1)(D) of section 6.26 are each amended by striking out "Federal intermediate credit banks and Federal land banks" and inserting in lieu thereof "Farm Credit Banks".

(r) Section 6.26(c)(5) is amended—

(1) in each of subparagraphs (B) and (C)(i), by striking out "interest payments" and inserting in lieu thereof "payments under this paragraph"; and

(2) in subparagraph (B), by striking out "issued under subsection (d)(1)(C)" and inserting in lieu thereof "referred to in subsection (d)(1)(E)".

(s) The heading of section 6.26(d) is amended by inserting "; DEFAULTS" after "PRINCIPAL".

(t) Section 6.26(d)(1)(C) is amended—

(1) by striking out "referred to in" and all that follows through "1987," and inserting in lieu thereof "issued to provide assistance under section 410(c) of the Agricultural Credit Act of 1987 and section 4.9A(c) of this Act, or issued to provide funds to cover the expenses of the Assistance Board under section 6.7(a) of this Act,";

(2) by striking out "such principal" and inserting in lieu thereof "such obligation";

(3) in clause (i), by striking out "bank" and inserting in lieu thereof "institution"; and

(4) in clause (ii), by striking out "banks" and inserting in lieu thereof "institutions".

12 USC 2278b-6.

(u) Section 6.26(d)(1)(E) is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(v) Clauses (i) and (iii) of section 6.26(d)(3)(A) are each amended by striking out "this subsection" and inserting in lieu thereof "subsection (c)".

(w) The third sentence of section 6.26(d)(3)(B)(iii) is amended by inserting "is prohibited from redeeming or" after "If such institution".

(x) Section 6.26(d)(4)(B)(iii) is amended by striking out "5.60" and inserting in lieu thereof "5.60(c)(2)(B)".

12 USC 2278b-7.

(y) Section 6.27(a)(1) is amended by striking out "(a) or (b)".

(z) Section 6.27(a)(2)(B) is amended—

(1) by striking out "Reserve Account Board" and inserting in lieu thereof "Farm Credit System Insurance Corporation"; and

(2) by striking out "Board purchases" and inserting in lieu thereof "Insurance Corporation purchases".

(aa) Section 6.27(b) is amended by striking out "subsections (a) and (b)" and inserting in lieu thereof "subsection (a)".

12 USC 2278b-8.

(bb) Section 6.28(b)(2) is amended—

(1) by striking out "this paragraph" and inserting in lieu thereof "paragraph (1) equal"; and

(2) in subparagraph (A), by striking out "subsection (c)(1)(D)" and inserting in lieu thereof "section 6.26(c)(2)(D)".

SEC. 202. AMENDMENT RELATED TO SECTION 202 OF THE 1987 ACT.

12 USC 2151.

Section 4.0 is amended to read as follows:

"SEC. 4.0. REVOLVING FUND.

"The revolving fund established by this section (in effect immediately before the date of the enactment of the Agricultural Credit Act of 1987) shall be available to the Farm Credit Administration and the Assistance Board during the periods, and for the purposes, provided for in sections 6.13 and 6.7, respectively.".

SEC. 203. AMENDMENTS RELATED TO SECTION 204 OF THE 1987 ACT.

12 USC 2160.

(a) Section 4.9 is amended by adding at the end the following: "(f) SUCCESSION.—

Contracts.

"(1) ASSETS AND LIABILITIES.—The Corporation shall, by operation of law and without any further action by the Farm Credit Administration, the predecessor Federal Farm Credit Banks Funding Corporation (hereinafter referred to in this subsection as 'the predecessor corporation') chartered under this Act, or any court, succeed to the assets of and assume all debts, obligations, contracts, and other liabilities of the predecessor corporation, matured or unmatured, accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against on balance sheets, books of account, or records of the predecessor corporation.

"(2) CONTRACTS.—The existing contractual obligations, security instruments, and title instruments of the predecessor corporation shall, by operation of law and without any further

action by the Farm Credit Administration, the predecessor corporation, or any court, become and be converted into obligations, entitlements, and instruments of the Corporation.

"(3) STOCK.—The stock of the predecessor corporation issued before the date of the enactment of this section shall, by operation of law and without any further action by the Farm Credit Administration, the predecessor corporation, or any court, become and be converted into stock of the Corporation established by this section.

"(4) TAXATION.—The succession to assets, assumption of liabilities, conversion of obligations, instruments, and stock, and effectuation of any other transaction by the Corporation to carry out this subsection shall not be treated as a taxable event under the laws of any State or political subdivision thereof.". State and local governments.

(b) Section 4.9(b)(3) is amended by inserting "predecessor Federal Farm Credit Banks" before "Funding Corporation". 12 USC 2160.

(c) Subparagraphs (B) and (C) of section 4.9(d)(2) are each amended by striking out "Federal Farm Credit Banks Funding".

(d) Section 4.9(e) is amended to read as follows:

"(e) TRANSITIONAL AUTHORITY.—Until a majority of the voting members of the board of directors of the Corporation is elected, which shall occur as soon as is practicable after the enactment of this section—

"(1) the finance committee established under section 4.5 in effect before the date of the enactment of this section, and the fiscal agency established under section 4.9 in effect before such date of enactment, shall continue to operate as if this section had not been enacted; and

"(2) the board of directors of the predecessor Federal Farm Credit Banks Funding Corporation shall be the board of directors of the Financial Assistance Corporation.".

(e) Section 4.2(e) is amended— 12 USC 2153.

(1) by striking out "their" and inserting in lieu thereof "the"; and

(2) by striking out "fiscal agent" each place it appears and inserting in lieu thereof "Federal Farm Credit Banks Funding Corporation".

SEC. 204. AMENDMENT RELATED TO SECTION 205 OF THE 1987 ACT.

Section 5.19(b)(2) is amended by striking out "this section" and inserting in lieu thereof "the third sentence of paragraph (1)". 12 USC 2254.

SEC. 205. AMENDMENTS RELATED TO SECTION 207 OF THE 1987 ACT.

Section 5.17(a) is amended by redesignating paragraphs (9), (10), (11), (12), (13), and (14), as paragraphs (8), (9), (10), (11), (12), and (13), respectively. 12 USC 2252.

TITLE III—AMENDMENTS RELATED TO TITLE III OF THE 1987 ACT

SEC. 301. AMENDMENTS RELATED TO SECTION 301 OF THE 1987 ACT.

(a) Section 301(a) of the 1987 Act is amended— 12 USC 2154 note.

(1) in paragraph (1)(B), by striking out "be" and inserting in lieu thereof "apply to an institution";

(2) in paragraph (2), by striking out "5.17(b)(2)" and all that follows through "proposed" and inserting in lieu thereof "5.17(c)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2251(c)(2)) with respect to the issuance of the"; and

(3) in paragraph (3), by striking out "(1)(C)" and inserting in lieu thereof "(1)(D)".

12 USC 2154a.

(b) Section 4.3A(a)(1)(B) is amended by striking out "4.9B" and inserting in lieu thereof "4.9A".

(c) Section 4.3A(c)(1) is amended—

(1) in subparagraph (D)(i), by striking out the third comma; and

(2) in subparagraph (G), by inserting "voting" before "stock issued".

(d) Section 4.3A(c)(1)(H) is amended by inserting ", except as otherwise provided in this section" after "the borrower".

(e) Section 4.3A(c)(1)(I) is amended by striking out "standards issued under".

(f) Section 4.3A(d)(1) is amended—

(1) by striking out "and in section 4.9A"; and

(2) by striking out "or allocated equities".

SEC. 302. AMENDMENTS RELATED TO SECTION 302 OF THE 1987 ACT.

12 USC 2277a.

(a) Subparagraphs (A) and (B) of section 5.51(3) are amended to read as follows:

"(A) on or before January 5, 1989, on behalf of any System bank; and

"(B) after such date, which, when issued, is issued on behalf of any insured System bank."

(b) Section 5.51(5) is amended by striking out "to liquidate" and inserting in lieu thereof "for".

12 USC 2277a-4.

(c) Section 5.55(d) is amended by striking out "loans made by a Federal intermediate credit bank" and inserting in lieu thereof "intermediate term loans made by a Farm Credit Bank".

(d) Section 5.55(d)(2) is amended by striking out "2.3(a)(2)" and inserting in lieu thereof "1.7(b)(1)(B)".

(e) Paragraphs (2) and (3) of section 5.55(d) are each amended by striking out "Federal intermediate credit bank" and inserting in lieu thereof "Farm Credit Bank".

12 USC 2277a-5.

(f) Section 5.56(a) is amended by striking out "of such" and inserting in lieu thereof "of the".

12 USC 2277a-6.

(g) Section 5.57(b)(1) is amended—

(1) by striking out "made any report of condition required under section 5.55 or"; and

(2) by striking out "make any such report or".

(h) Section 5.57(b)(2) is amended by striking out "made or".

12 USC 2277a-7.

(i) Section 5.58(5)(A) is amended by striking out "to" each place it appears.

12 USC 2277a-9.

(j) Section 5.60(b)(1) is amended by striking out "(in effect immediately before the date of the enactment of this part)".

(k) Section 5.60(b)(2) is amended by striking out "Beginning 5 years after the date of the enactment of this part, the" and inserting in lieu thereof "The".

(l) Section 5.60(c)(2)(B) is amended to read as follows:

"(B) ensure the retirement of eligible borrower stock at par value under section 4.9A.".

SEC. 303. AMENDMENT RELATED TO SECTION 303 OF THE 1987 ACT.

Section 4.4 is amended by redesignating subsection (e) as subsection (d). 12 USC 2155.

TITLE IV—AMENDMENTS RELATED TO TITLE IV OF THE 1987 ACT

SEC. 401. AMENDMENTS RELATED TO SECTION 401 OF THE 1987 ACT.

(a) Section 1.3(a) is amended by inserting ", as provided in section 410 of the Agricultural Credit Act of 1987," before "shall". 12 USC 2011.

(b) Section 1.3(b) is amended to read as follows:

"(b) CHARTERS.—The Farm Credit Administration shall, consistent with this Act, issue charters for, and approve amendments to charters of, the Farm Credit Banks.".

(c) Section 1.4 is amended by striking out "from its voting stockholders". 12 USC 2012.

(d) Section 1.5 is amended— 12 USC 2013.

(1) by amending paragraph (9) to read as follows:

"(9) prescribe, by its board of directors, its bylaws that shall be consistent with law, and that shall provide for—

"(A) the classes of its stock and the manner in which such stock shall be issued, transferred, and retired; and

"(B) the manner in which it is to—

"(i) select officers, employees, and agents;

"(ii) acquire, hold, and transfer property;

"(iii) make loans and discounts;

"(iv) conduct general business; and

"(v) exercise and enjoy the privileges granted to it by law;";

(2) in paragraph (11), by striking out "or securities of" and inserting in lieu thereof "of securities or";

(3) in subparagraphs (B) and (C) of paragraph (12), by striking out "participate with";

(4) in paragraph (14), by striking out "as defined in section 3 of the Federal Deposit Insurance Act" and inserting in lieu thereof "(within the meaning of section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813))";

(5) in paragraph (18), by striking out "Federal land bank";

(6) in paragraph (22), by striking out "as authorized by the Farm Credit Administration; and" and inserting in lieu thereof "in accordance with generally accepted accounting principles, except as may be authorized by the Farm Credit Administration;";

(7) in paragraph (23)—

(A) by striking out "and approved by the Farm Credit Administration Board"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(8) by adding at the end the following:

"(24) operate as an originator and become certified as a certified facility under title VIII.".

(e) Section 1.7(a) is amended to read as follows: 12 USC 2015.

"(a) REAL ESTATE LOANS AND RELATED ASSISTANCE.—

"(1) REAL ESTATE LOANS.—The Farm Credit Banks may make or participate with other lenders in long-term real estate mort-

gage loans in rural areas, as defined by the Farm Credit Administration, or to producers or harvesters of aquatic products, and make continuing commitments to make such loans under specified circumstances, for a term of not less than 5 nor more than 40 years.

"(2) FINANCIAL ASSISTANCE.—The Farm Credit Banks may provide and extend financial assistance to, and discount for, or purchase from, a Federal land bank association any note, draft, or other obligation with the endorsement or guarantee of the association, the proceeds of which have been advanced to persons eligible and for purposes of financing by the association, as authorized under section 7.6(a).".

12 USC 2015.

(f) Section 1.7(b) is amended—

(1) in paragraph (2), by striking out the second sentence;

(2) in paragraph (3)—

(A) in the heading, by striking out "ASSISTANCE" and inserting in lieu thereof "SERVICES"; and

(B) in subparagraph (B), by striking out "herein contained" and inserting in lieu thereof "described in subparagraph (A)"; and

(3) in paragraph (4)(A), by striking out "section" and inserting in lieu thereof "subsection".

12 USC 2016.

(g) Section 1.8(a) is amended by striking out "interest at a rate or rates, and" and inserting in lieu thereof "such rate or rates of interest or discount, and be".

12 USC 2018.

(h) Section 1.10(a) is amended—

(1) in paragraph (2), by striking out "approved by" and inserting in lieu thereof "prescribed by regulations of"; and

(2) in paragraph (3)—

(A) by striking out "appraisal" the second place it appears; and

(B) by striking out "and approved by" and inserting in lieu thereof "in accordance with regulations of".

(i) Section 1.10(b) is amended by striking out "harvester" and inserting in lieu thereof "harvesters".

12 USC 2019.

(j) Section 1.11(c)(2) is amended—

(1) by inserting "equipment or" before "facilities"; and

(2) by inserting "or title II" after "title".

12 USC 2020.

(k) Section 1.12 is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Farm Credit Banks";

(2) by striking out "each district" and inserting in lieu thereof "the"; and

(3) by adding at the end the following new subsection:

"(b) AUTHORITY TO PASS ALONG COST OF INSURANCE PREMIUMS.—Each Farm Credit Bank may assess each production credit association and other financing institution described in section 1.7(b)(1)(B) in the district in which the bank is located to cover the costs of making premium payments under part E of title V. The assessment on any such association or other financing institution for any calendar year shall be computed on the same basis as is used to compute the premium payment and shall not exceed the sum of—

"(1) the annual average principal outstanding for such year on loans made by the association, or on loans made by the other financing institution and discounted with the Farm Credit Bank, that are in accrual status, multiplied by 0.0015; and

"(2) the annual average principal outstanding for such year on loans made by the association, or on loans made by the other financing institution and discounted with the Farm Credit Bank, that are in nonaccrual status, multiplied by 0.0025.".

(l) Section 1.15 is amended— 12 USC 2023.

(1) by inserting a comma after "therefrom" the first place it appears; and

(2) by striking out "742(a)" and inserting in lieu thereof "3124".

(m) Section 2.0(b) is amended— 12 USC 2071.

(1) in paragraph (1), by striking out "title" and inserting in lieu thereof "subtitle";

(2) in paragraph (3)(B), by striking out "part" and inserting in lieu thereof "subtitle";

(3) in subparagraphs (B) and (C) of paragraph (3), by striking out "the" the first place it appears; and

(4) in paragraph (8)—

(A) by striking out "or by approval of bylaws of the association"; and

(B) by amending subparagraph (D) to read as follows:

"(D) approve amendments to the charter of the association.".

(n) Section 2.1 is amended by striking out the sixth comma. 12 USC 2072.

(o) Section 2.2 is amended— 12 USC 2073.

(1) by amending paragraph (16) to read as follows:

"(16) prescribe, by its board of directors, its bylaws that shall be consistent with law, and that shall provide for—

"(A) the classes of its stock and the manner in which such stock shall be issued, transferred, and retired; and

"(B) the manner in which it is to—

"(i) select officers and employees;

"(ii) acquire, hold, and transfer property;

"(iii) conduct general business; and

"(iv) exercise and enjoy the privileges granted to it by law;";

(2) in paragraph (17)—

(A) by striking out "elect by the board of directors of the association" and insert in lieu thereof "provide by its board of directors for"; and

(B) by striking out "be elected or designated" and inserting in lieu thereof "serve as";

(3) in paragraph (19), by striking out "and";

(4) in paragraph (20), by striking out the period and inserting in lieu thereof "; and"; and

(5) by adding at the end the following:

"(21) operate as an originator and become certified as a certified facility under title VIII.".

(p) Section 2.4(b)(1) is amended— 12 USC 2075.

(1) by striking out "title" and inserting in lieu thereof "subtitle"; and

(2) by inserting "or" before "planned".

(q) Section 2.4 is amended by adding at the end the following:

"(d) SPECIAL DISTRICT RULE.—

"(1) PROVISION OF CREDIT AND TECHNICAL ASSISTANCE OUTSIDE SERVICE TERRITORY.—Notwithstanding any territorial limitation in the charter of a production credit association located in a district in which there are only two such associations, the Farm

Credit Administration Board, on request of such association, may permit such association to provide credit and technical assistance to any borrower who is denied credit by the other production credit association in the district if the Board determines that such other production credit association in the district is unduly restrictive in the application of credit standards.

"(2) TIMING OF DETERMINATION.—If the Farm Credit Administration Board approves the extension of credit and technical assistance under paragraph (1), the association shall approve or deny the application for credit within 90 days after receipt of the application from the borrower.".

12 USC 2077.

(r) Section 2.6 is amended—

(1) by inserting a comma after "interest"; and

Taxes.

(2) by inserting ", except that interest on such obligations shall be subject to Federal income taxation in the hands of the holder" before the period.

12 USC 2091.

(s) Section 2.10(b) is amended—

(1) in paragraph (1), by inserting "under section 1.7(a)" before the first comma; and

(2) by amending paragraph (2)(D)(i) to read as follows:

"(i) the individual's eligibility and request for a Farm Credit Bank loan;".

(t) Section 2.10(c) is amended to read as follows:

"(c) FCA AUTHORITY ON ORGANIZATION.—The Farm Credit Administration shall have power, in the terms of the charter, under rules and regulations prescribed by the Farm Credit Administration—

"(1) to provide for the organization of the association;

"(2) to provide for the initial amount of stock of the association;

"(3) to provide for the territory within which the association may carry on its operations; and

"(4) to approve amendments to the charter of such association.".

12 USC 2093.

(u) Section 2.12 is amended—

(1) in paragraph (7)—

(A) by striking out "elect by its board of directors" and insert in lieu thereof "provide by its board of directors for"; and

(B) by striking out "be elected or designated" and inserting in lieu thereof "serve as";

(2) by amending paragraph (8) to read as follows:

"(8) prescribe, by its board of directors, its bylaws that shall be consistent with law, and that shall provide for—

"(A) the classes of its stock and the manner in which such stock shall be issued, transferred, and retired; and

"(B) the manner in which it is to—

"(i) select officers and employees;

Real property.

"(ii) acquire, hold, and transfer property;

"(iii) conduct general business; and

"(iv) exercise and enjoy the privileges granted to it by law;";

(3) in paragraph (12), by striking out "or delegated to" and inserting in lieu thereof "by";

(4) in paragraph (20), by striking out "and";

(5) in paragraph (21), by striking out the period and inserting in lieu thereof "; and"; and

(6) by adding at the end the following:

"(22) operate as an originator and become certified as a certified facility under title VIII.".

(v) Section 2.14 is hereby repealed, and the Farm Credit Act of 1971 shall be applied and administered as if such section had not been enacted. 12 USC 2095 and note.

(w) Title II is amended by redesignating sections 2.15, 2.16, and 2.17, as sections 2.14, 2.15, and 2.16, respectively. 12 USC 2096-2098.

(x) Section 2.16, as so redesignated, is amended— 12 USC 2098.

(1) by inserting a comma after "therefrom" the first place it appears;

(2) by striking out "banks" and inserting in lieu thereof "associations"; and

(3) by striking out "742(a)" and inserting in lieu thereof "3124".

SEC. 402. AMENDMENTS RELATED TO SECTION 410 OF THE 1987 ACT.

(a) Section 410(a) of the 1987 Act is amended— 12 USC 2011 note.

(1) by inserting "Farm Credit System" after "each"; and

(2) by adding at the end the following: "The mergers required by this section shall be implemented without regard to title VII.".

(b) Section 410(b) of the 1987 Act is amended by striking out "The" and inserting in lieu thereof "Notwithstanding section 1.6 (as added by section 401 of this Act), the".

(c) Section 410(c) of the 1987 Act is amended—

(1) by inserting "established under section 6.0" after "Assistance Board"; and

(2) by inserting "established under section 6.20" after "Assistance Corporation".

(d) Section 410(d) of the 1987 Act is amended by striking out "The" and inserting in lieu thereof "Notwithstanding section 1.4 (as added by section 401 of this Act), the".

SEC. 403. AMENDMENTS RELATED TO SECTION 411 OF THE 1987 ACT.

Paragraphs (2) and (3) of section 411(b) of the 1987 Act are each amended by striking out "6-month" and inserting in lieu thereof "12-month". 12 USC 2071 note.

SEC. 404. AMENDMENTS RELATED TO SECTION 412 OF THE 1987 ACT.

(a) The section heading of section 412 of the 1987 Act is amended to read as follows: 12 USC 2002 note.

"SEC. 412. CONSOLIDATION OF DISTRICT FARM CREDIT BANKS.".

(b) Section 412(a)(2) of the 1987 Act is amended—

(1) by striking out the second comma;

(2) by striking out "System banks" and inserting in lieu thereof "Banks";

(3) by striking out "farm credit banks" and inserting in lieu thereof "Farm Credit Banks".

(c) Section 412(b)(1) of the 1987 Act is amended—

(1) by striking out "(b)(2)" and inserting in lieu thereof "(a)(2)"; and

(2) by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (3)".

12 USC 2002 note.

(d) Section 412(b)(2) of the 1987 Act is amended by striking out "Proposals" and inserting in lieu thereof "The proposal".

SEC. 405. AMENDMENTS RELATED TO SECTION 413 OF THE 1987 ACT.

12 USC 2121 note.

(a) Section 413(a)(2)(A) of the 1987 Act is amended by striking out "subparagraph (C)" and inserting in lieu thereof "paragraph (1)(C)".

(b) Section 413(a)(3) of the 1987 Act is amended—

(1) by striking out the open quotation mark;

(2) by striking out "and subscribers to the guaranty funds"; and

(3) by inserting "for cooperatives" after "banks".

(c) Section 413(b)(1)(A)(i) of the 1987 Act is amended by striking out ", or a subscriber to the guaranty fund of".

(d) Section 413(b)(4)(A) of the 1987 Act is amended by inserting "for cooperatives" after "district banks".

(e) Section 413(b)(6)(A)(ii) of the 1987 Act is amended by striking out the comma.

(f) Section 413(b)(6)(B) of the 1987 Act is amended by striking out the first comma.

(g) Section 413(b)(6)(C) of the 1987 Act is amended by striking out "(a)" and inserting in lieu thereof "(b)(1)".

SEC. 406. AMENDMENTS RELATED TO THE FIRST SECTION 414 OF THE 1987 ACT.

12 USC 2121 note.

(a) Subsection (a) of the first section 414 of the 1987 Act is amended by striking out "(a) INITIAL BOARD.—The" and inserting in lieu thereof "Notwithstanding section 3.2, the".

12 USC 2121 and note.

(b) Subsection (b) of the first section 414 of the 1987 Act is hereby repealed, and the 1987 Act and the Farm Credit Act of 1971 shall be applied and administered as if such subsection had not been enacted.

SEC. 407. AMENDMENTS RELATED TO THE FIRST SECTION 415 OF THE 1987 ACT.

12 USC 2141.

(a) Section 3.20(a) is amended—

(1) by striking out "in this section"; and

(2) by inserting ", established under section 413 of the Agricultural Credit Act of 1987," before "shall".

(b) Section 3.20(b) is amended by inserting "except" before "as otherwise".

12 USC 2142.

(c) Section 3.21(b)(2) is amended by adding at the end the following:

"(C) THIRD MEMBER.—The nomination and election of the third member from each district shall be carried out in accordance with procedures prescribed in the bylaws of the consolidated bank.".

(d) Section 3.21(b)(2)(B)(i)(I) is amended to read as follows:

"(I) at the close of the immediately preceding fiscal year of the consolidated bank; or".

12 USC 2143.

(e) Section 3.22 is amended—

(1) by striking out "United Bank for Cooperatives or the National Bank for Cooperatives" and inserting in lieu thereof "consolidated bank"; and

(2) by striking out "merger" and inserting in lieu thereof "establishment of the bank under section 413 of the Agricultural Credit Act of 1987".

12 USC 2146.

(f) Section 3.25 is amended to read as follows:

"SEC. 3.25. CAPITALIZATION.

"In accordance with section 4.3A, each consolidated bank shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the bank and the manner in which bank stock shall be issued, held, transferred, and retired and bank earnings distributed.".

(g) Section 3.27 is amended by striking out "taxable institution" and inserting in lieu thereof "cooperative". 12 USC 2148.

SEC. 408. AMENDMENTS RELATED TO SECTION 416 OF THE 1987 ACT.

(a) The title heading of title VII is amended to read as follows:

"TITLE VII—RESTRUCTURING OF SYSTEM INSTITUTIONS"

(b) Section 7.0 is amended— 12 USC 2279a.

(1) by striking out "Two or more" and inserting in lieu thereof "The"; and

(2) in paragraph (3), by striking out "in accordance" and all that follows through "by" and inserting in lieu thereof "with each association entitled to cast a number of votes equal to the number of its voting".

(c) Section 7.1 is amended to read as follows: 12 USC 2279a-1.

"SEC. 7.1. BOARD OF DIRECTORS.

"Each merged bank shall elect a board of directors of such number, for such term, in such manner, and with such qualifications, as may be required in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.".

(d) Subtitle A of title VII is amended by striking out sections 7.3 and 7.4 and inserting in lieu thereof the following: 12 USC 2279a-3, 2279a-4.

"SEC. 7.3. CAPITALIZATION.

"In accordance with section 4.3A, each merged bank shall provide, through bylaws and subject to Farm Credit Administration regulations, for the capitalization of the bank and the manner in which bank stock shall be issued, held, transferred, and retired and bank earnings distributed.".

(e) Subtitle A of title VII is amended by redesignating section 7.5 as section 3.29, and by transferring such section, as so amended, to the end of part B of title III. 12 USC 2279a-5, 2149a.

(f) Section 7.6(a) is amended— 12 USC 2279b.

(1) by striking out "ASSIGNMENTS.—" and inserting in lieu thereof "VOLUNTARY TRANSFERS.—";

(2) by striking out "assign" and inserting in lieu thereof "transfer";

(3) by striking out "sections 1.6 through 1.9" and inserting in lieu thereof "this Act";

(4) by striking out "assignment" and inserting in lieu thereof "transfer"; and

(5) in paragraph (3), by striking out "7.6" and inserting in lieu thereof "7.8, respectively".

(g) Section 7.6(b) is amended—

(1) by striking out "an assignment described in subsection (a)" and inserting in lieu thereof "a transfer described in subsection (a) or (d)"; and

(2) in paragraph (2), by striking out "Federal land" the first place it appears.

12 USC 2279b.

(h) Section 7.6(c) is amended—

(1) by striking out "assignments or"; and

(2) by striking out the second sentence.

12 USC 2279c.

(i) The section heading and text of section 7.7 are amended to read as follows:

"(d) MANDATORY TRANSFER.—On the merger of one or more production credit associations with one or more Federal land bank associations, the bank supervising the Federal land bank association shall transfer all of the direct lending authority of the bank in the territory served by such Federal land bank association to such merged association.".

12 USC 2279b, 2279c.

(j) The provision amended by subsection (i) of this section, as so amended, is hereby transferred to the end of section 7.6, where such transferred provision shall become a new subsection (d).

12 USC 2279c-1.

(k) Section 7.8(b)(2) is amended by striking out the second sentence.

(l) Section 7.8 is amended by striking out paragraphs (2) and (3) of subsection (c) and subsection (d) and inserting in lieu thereof the following:

"(2) CAPITALIZATION.—In accordance with section 4.3A, 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.".

(m) Subtitle B of title VII is amended by redesignating chapter 3 as chapter 4, and by inserting before section 7.9 the following:

"Chapter 3—Reconsideration".

12 USC 2279c-2.

(n) Section 7.9(a) is amended—

(1) in paragraph (1), by striking out "section 5.17(a)(2)" and inserting in lieu thereof "this Act";

(2) in paragraph (5), by inserting "or 7.13" before the semicolon;

(3) in paragraph (6), by striking out "and" and inserting in lieu thereof "or";

(4) in paragraph (7), by striking out "7.13" and inserting in lieu thereof "7.12"; and

(5) by redesignating paragraphs (5), (6), and (7), as paragraphs (4), (5), and (6), respectively.

(o) Section 7.9(b)(2) is amended—

(1) by striking out the third comma; and

(2) by inserting "banks or" after "such".

12 USC 2279e.

(p) Section 7.11(a)(1) is amended—

(1) by striking out "or assignment"; and

(2) by striking out "such institutions" and inserting in lieu thereof "the institutions involved".

12 USC 2279f.

(q) Section 7.12(b) is amended to read as follows:

"(b) POWERS AND CAPITALIZATION.—Sections 7.2 and 7.3 shall apply to banks merged under this section.".

(r) Section 7.12(c)(2)(B) is amended by striking out "members" and inserting in lieu thereof "directors". 12 USC 2279f.

(s) Section 7.13(a)(4) is amended by striking out "Bank" and inserting in lieu thereof "Banks involved". 12 USC 2279f-1.

(t) Section 7.13(b) is amended by striking out "(b), (c), and (d)" and inserting in lieu thereof "(b) and (c)".

(u) Title VII is amended by adding at the end the following new subtitle:

"Subtitle E—Taxation of Merger Transactions

12 USC 2279g.

"SEC. 7.14. TRANSACTIONS TO ACCOMPLISH MERGERS EXEMPT FROM CERTAIN STATE TAXES.

"No State or political subdivision thereof may treat the merger or consolidation of two or more institutions of the Farm Credit System under this title or title IV of the Agricultural Credit Act of 1987 as resulting in a change of ownership of any property owned by any of such merging or consolidating institutions, for purposes of any law of such State or political subdivision providing for reassessment of property on the occurrence of a change of ownership or imposing a tax on the ownership or transfer of property.". Real property.

SEC. 409. AMENDMENTS RELATED TO THE SECOND SECTION 414 AND SECOND SECTION 415 OF THE 1987 ACT.

(a) Subtitle B of title IV of the 1987 Act is amended by redesignating the second section 414 and the second section 415, as sections 417 and 418, respectively. 12 USC 2153, 2181-2183, 2222-2227, 2252.

(b) The table of contents of the 1987 Act is amended by striking out the items relating to the second section 414 and the second section 415, and inserting in lieu thereof the following:

"Sec. 417. Nondiscrimination.
"Sec. 418. Conforming amendments.".

(c) Subsection (c) of section 418 of the 1987 Act (as so redesignated by subsection (a) of this section) is hereby repealed, and the Farm Credit Act of 1971 shall be applied and administered, and the amendments made by sections 430 and 802(u) of the 1987 Act shall take effect, as if such subsection (c) had not been enacted. 12 USC 2222-2227, 2222 note.

(d) Sections 5.1 through 5.6 are hereby repealed. 12 USC 2222-2227.

(e) Section 5.17(a)(2) is amended— 12 USC 2258.

(1) by inserting "approve" before "the consolidation"; and

(2) by striking out "that they serve" and inserting in lieu thereof "of institutions".

SEC. 410. AMENDMENT RELATED TO SECTION 421 OF THE 1987 ACT.

Section 3.8(b)(1)(C) is amended by striking out "make" and inserting in lieu thereof "makes". 12 USC 2129.

SEC. 411. AMENDMENTS RELATED TO SECTION 422 OF THE 1987 ACT.

(a) Section 4.29(a)(1) is amended by striking out "sections 1.11, 1.15, 2.5, and 2.16" and inserting in lieu thereof "titles I and II". 12 USC 2218.

(b) Section 4.29(a)(2) is amended by striking out "Federal intermediate credit banks" and inserting in lieu thereof "Farm Credit Banks".

SEC. 412. AMENDMENTS RELATED TO SECTION 426 OF THE 1987 ACT.

12 USC 2017.

(a) Section 1.9(b) is amended by striking out "approved by" and inserting in lieu thereof "prescribed by regulations of".

(b) Section 1.9(c) is amended—

(1) by striking out "appraisal" the second place it appears; and

(2) by striking out "and approved by" and inserting in lieu thereof "in accordance with regulations of".

SEC. 413. AMENDMENTS RELATED TO SECTIONS 427 AND 428 OF THE 1987 ACT.

12 USC 2219c, 2219d.

Part H of title IV is amended by redesignating section 4.37 (as added by section 427 of the 1987 Act) and section 4.38, as sections 4.38 and 4.39, respectively.

SEC. 414. AMENDMENT RELATED TO SECTION 430 OF THE 1987 ACT.

Part D of title IV is amended by adding at the end the following:

12 USC 2209.

"SEC. 4.21. COMPENSATION OF DIRECTORS.

"No member of the board of directors of a System bank may receive more than $15,000 per year under this Act as compensation for serving as a director of such bank.".

SEC. 415. AMENDMENTS RELATED TO SECTION 431 OF THE 1987 ACT.

12 USC 2245.

(a) Section 5.11(c)(2)(C) is amended by striking out "5315" and inserting in lieu thereof "5373".

12 USC 2096.

(b) Section 2.15(c)(1) is amended to read as follows:

"(c)(1) Notwithstanding any territorial limitation in the charter of a production credit association located in a district in which there are only two such associations, the Farm Credit Administration Board, on request of such association, may permit such association to provide credit and technical assistance to any borrower who is denied credit by the other production credit association in the district if the Board determines that such other production credit association in the district is unduly restrictive in the application of credit standards.".

SEC. 416. AMENDMENTS RELATED TO SECTION 432 OF THE 1987 ACT.

12 USC 2250.

(a) Section 5.15(a)(2)(A) is amended by striking out "such assessment" and inserting in lieu thereof "the assessment described in paragraph (1)(B)".

(b) Section 5.15(a)(2)(C) is amended by striking out "specified" and inserting in lieu thereof "described".

12 USC 2254.

(c) Section 5.19(a) is amended by striking out "5" and inserting in lieu thereof "three".

SEC. 417. AMENDMENTS RELATED TO SECTION 433 OF THE 1987 ACT.

12 USC 2071 note.

(a) Section 433(a) of the 1987 Act is amended—

(1) by striking out "this Act" and inserting in lieu thereof "law"; and

(2) by striking out "the Agricultural Credit Act of 1987" and inserting in lieu thereof "this Act".

(b) Section 433(b) of the 1987 Act is amended by striking out "subsection" and inserting in lieu thereof "section".

(c) Section 433(c)(2)(B) of the 1987 Act is amended by striking out "such adjoining district" and inserting in lieu thereof "the adjoining district bank".

(d) Section 433(c)(2)(C) of the 1987 Act is amended by inserting "Farm Credit System" before "Assistance Board". 12 USC 2071 note.

TITLE V—AMENDMENTS RELATED TO TITLE V OF THE 1987 ACT

SEC. 501. AMENDMENT RELATED TO SECTION 501 OF THE 1987 ACT.

Section 501(b) of the 1987 Act is amended by striking out the first comma. 7 USC 5101.

SEC. 502. AMENDMENTS RELATED TO SECTION 503 OF THE 1987 ACT.

(a) Section 503(a)(1)(B) of the 1987 Act is amended by inserting "effective beginning" before "on". 7 USC 5103.

(b) Section 503(a)(2) of the 1987 Act is amended by striking out "paragraph (1)" and inserting in lieu thereof "section 501".

TITLE VI—AMENDMENTS RELATED TO TITLE VII OF THE 1987 ACT

SEC. 601. AMENDMENTS RELATED TO SECTION 702 OF THE 1987 ACT.

(a) Section 8.0(9)(B)(ii) is amended— 12 USC 2279aa.

(1) by striking out "hold" and inserting in lieu thereof "holding"; and

(2) by striking out "and" the first place it appears.

(b) Subsections (a)(1) and (b)(3) of section 8.2 are each amended by striking out "effective date" and inserting in lieu thereof "date of the enactment". 12 USC 2279aa-2.

(c) Section 8.3(c)(4) is amended by striking out "the persons" and inserting in lieu thereof "such persons". 12 USC 2279aa-3.

(d) The penultimate sentence of section 8.4(a)(1) is amended— 12 USC 2279aa-4.

(1) by inserting "and" before "that are entitled"; and

(2) by inserting ", including national banking associations (which shall be allowed to purchase and hold such stock)" before the period.

(e) Section 8.4(e)(1) is amended by striking out "Association" and inserting in lieu thereof "Corporation".

(f) Section 8.6(a)(1) is amended— 12 USC 2279aa-6.

(1) by striking out "in, or obligations" and inserting in lieu thereof "solely in, or obligations fully"; and

(2) by striking out "any pool of qualified loans" and inserting in lieu thereof "any pool consisting solely of qualified loans which meet the standards established under section 8.8 and which are".

(g) Section 8.6(e) is amended—

(1) in paragraph (1), by inserting "and" at the end;

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(h) Section 8.6(f)(1) is amended by striking out "effective date" and inserting in lieu thereof "date of the enactment".

(i) Section 8.8(a) is amended by inserting "permanent" before "Board" the first place it appears. 12 USC 2279aa-8.

(j) Section 8.9 is amended by striking out "and 4.37" each place it appears and inserting in lieu thereof "4.14D, and 4.36". 12 USC 2279aa-9.

12 USC 2279aa-12.

(k) Section 8.12(a)(1) is amended by inserting ", or obligations backed by," before "a pool".

(l) Section 8.12(b)(2) is amended by striking out "effective date" and inserting in lieu thereof "date of the enactment".

SEC. 602. AMENDMENT RELATED TO SECTION 703 OF THE 1987 ACT.

Section 9105(a)(4)(B)(i) of title 31, United States Code, is amended by striking out "Association" and inserting in lieu thereof "Corporation".

SEC. 603. AMENDMENTS RELATED TO SECTION 704 OF THE 1987 ACT.

12 USC 2279aa note.

Paragraphs (1) and (3) of section 704(a) of the 1987 Act are each amended by striking out "title" and inserting in lieu thereof "subtitle".

SEC. 604. AMENDMENTS RELATED TO SECTION 705 OF THE 1987 ACT.

12 USC 2012, 2033, 2072, 2093.

Sections 1.4(23), 1.15(22), 2.1(21), and 2.12(21) are each amended by striking out "to".

SEC. 605. AMENDMENTS RELATED TO SECTION 711 OF THE 1987 ACT.

Section 338(f) of the Consolidated Farm and Rural Development Act is amended by adding at the end the following:

7 USC 1988. Contracts.

"(5) The Secretary may contract for goods and services to be used for the purposes of this subsection without regard to the provisions of titles 5, 40, and 41, United States Code, and any regulations issued thereunder.".

TITLE VII—AMENDMENTS RELATED TO TITLE VIII OF THE 1987 ACT

SEC. 701. AMENDMENT RELATED TO SECTION 802 OF THE 1987 ACT.

12 USC 2017 and note.

Subsection (d) of section 802 of the 1987 Act is hereby repealed, and section 1.9 shall be applied and administered as if such subsection had not been enacted.

SEC. 702. AMENDMENTS RELATED TO SECTION 805 OF THE 1987 ACT.

12 USC 2033.

(a) Section 1.15(12) is amended by inserting "by" before "the association".

12 USC 2154 and note, 2202, 2245.

(b) Subsections (q), (s), and (x) of section 805 of the 1987 Act are hereby repealed, and sections 4.3(c), 4.14, and 5.11 shall be applied and administered as if such subsections had not been enacted.

(c) Title IV is amended by redesignating parts G and H as parts F and G, respectively.

12 USC 2264.

(d) Section 5.28(e) is amended by striking out "(d)" and inserting in lieu thereof "(c)".

12 USC 2265.

(e) Section 5.29(b) is amended by striking out "may" the second place it appears.

TITLE VIII—AMENDMENTS RELATED TO TITLE IX OF THE 1987 ACT

SEC. 801. AMENDMENTS RELATED TO SECTION 901 OF THE 1987 ACT.

12 USC 2001 note.

Section 901(b)(2) of the 1987 Act is amended—

(1) by inserting "et seq." after "2201";

(2) by striking out the fourth comma; and

(3) by striking out "title" the second place it appears and inserting in lieu thereof "Act".

TITLE IX—OTHER AMENDMENTS TO THE FARM CREDIT ACT OF 1971

SEC. 901. OTHER AMENDMENTS.

(a) Sections 1.21 and 2.8 are each amended by striking out "742(a)" and inserting in lieu thereof "3124". 12 USC 2055, 2079.

(b) Sections 2.1(12) and 3.1(12) are each amended by striking out "as defined in section 2 of the Federal Deposit Insurance Act" and inserting in lieu thereof "(within the meaning of section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813))". 12 USC 2072, 2122.

(c) Section 3.0 is amended by striking out "one or more" and all that follows through "this Act" and inserting in lieu thereof "another bank". 12 USC 2121.

(d) Subsections (a) and (b) of section 3.2 are amended to read as follows: 12 USC 2123.

"(a) Each bank for cooperatives not merged into the United Bank for Cooperatives or the National Bank for Cooperatives shall elect a board of directors of such number, for such term, in such manner, and with such qualifications as may be required in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

"(b) The board of directors of the Central Bank for Cooperatives shall consist of one member elected by the board of each bank for cooperatives, including the United Bank for Cooperatives if the Central Bank for Cooperatives is not merged into such bank, and one member appointed by the Farm Credit Administration.".

(e) Section 3.8(a)(4) is amended by striking out "district board" and inserting in lieu thereof "bank board". 12 USC 2129.

(f) Section 4.12(a) is amended by striking out "district board" and inserting in lieu thereof "board of the supervising bank". 12 USC 2183.

(g) Section 4.15 is amended by striking out "district" the first and second places it appears and inserting in lieu thereof "bank". 12 USC 2203.

(h) Section 4.17 is amended by striking out "pursuant to section 2.3 of this Act" and inserting in lieu thereof "and Farm Credit Banks". 12 USC 2205.

(i) Section 4.19(a) is amended by inserting "Farm Credit Bank" after "district". 12 USC 2207.

(j) Section 4.19(b) is amended—

(1) by striking out "The Federal land bank and the Federal intermediate credit bank" and inserting in lieu thereof "The Farm Credit Bank";

(2) by striking out "their" each place it appears and inserting in lieu thereof "its";

(3) by striking out "of this section";

(4) by striking out "banks" and inserting in lieu thereof "bank"; and

(5) by striking out "a joint" and inserting in lieu thereof "an".

(k) Section 4.28 is amended— 12 USC 2214.

(1) by inserting "or associations" after "exempt banks"; and

(2) by striking out "1.21, 2.8," and inserting in lieu thereof "1.15, 2.17,".

12 USC 2251.

(l) Section 5.16 is amended by striking out "district" and inserting in lieu thereof "bank".

12 USC 2252.

(m) Section 5.17(a) is amended—

(1) in paragraph (1), by striking out "district boards" and inserting in lieu thereof "district banks";

(2) in paragraph (2), by striking out "boards of the districts" and inserting in lieu thereof "district bank boards"; and

(3) in paragraph (3), by striking out "Federal land banks" and all that follows through "of this Act" and inserting in lieu thereof "Farm Credit Banks under section 4.19(b)".

(n) Section 5.17(d)(1) is amended—

(1) by striking out "of this Act" each place it appears; and

(2) by striking out "2.3" and inserting in lieu thereof "1.7(b)".

(o) The title heading of title V is amended to read as follows:

"TITLE V—FARM CREDIT ADMINISTRATION ORGANIZATION".

(p) Title V is amended by striking out the heading of part A.

12 USC 2221.

(q) Section 5.0 is amended—

(1) by striking out "SEC. 5.0. CREATION OF" and inserting in lieu thereof "(b) FARM CREDIT"; and

(2) by striking out "district boards" and inserting in lieu thereof "boards of the banks in each district".

12 USC 2221, 2002.

(r) The provision amended by subsection (q) of this section, as so amended, is hereby transferred to the end of section 1.2, where such transferred provision shall become a new subsection (b).

12 USC 2002.

(s) Section 1.2 is amended—

(1) by inserting "(a) COMPOSITION.—" before "The Farm Credit System shall"; and

(2) by striking out "the regulation" and inserting in lieu thereof "regulation".

TITLE X—EFFECTIVE DATES

12 USC 2002 note.

SEC. 1001. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall take effect as if enacted immediately after the enactment of the 1987 Act.

(b) EXCEPTIONS.—The amendments made by sections 102(b), 102(f), 102(g), 102(h), 201(q), 302(c), 302(d), 302(e), 401, 402(b), 409(d), 411, 414, and 901 (other than by subsections (a), (b), (c), (e), (f), and (g) thereof) of this Act shall take effect immediately after the amendment made by section 401 of the 1987 Act takes effect.

Approved August 17, 1988.

LEGISLATIVE HISTORY—H.R. 3980:

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