

**Farm Credit Administration**

**§ 615.5105**

**Subpart C—Issuance of Bonds, Notes, Debentures and Similar Obligations**

**§ 615.5100 Authority to issue.**

The Act authorizes each bank of the System, subject to the collateral requirements of section 4.3(c) of the Act, to issue:

- (a) Notes, bonds, debentures, or other similar obligations;
- (b) Consolidated obligations, together with any or all banks organized and operating under the same title of the Act;
- (c) Systemwide obligations, together with other banks of the System; and
- (d) Investment bonds to the authorized purchasers subject to the limitations contained in the regulations set forth in subpart D.

[54 FR 1160, Jan. 12, 1989]

**§ 615.5101 Requirements for issuance.**

Except as provided in section 4.2(e) of the Act, each debt obligation shall meet the following requirements:

- (a) Each debt obligation shall be issued through the Federal Farm Credit Banks Funding Corporation acting for System banks.
- (b) Each debt obligation shall be authorized by resolution of the board(s) of directors of the issuer(s). Each participating bank shall provide, in its authorizing resolution, for its primary liability on the portion of any consolidated or Systemwide obligation issued on its behalf and be jointly and severally liable for the payment of any additional sums as called upon by the Farm Credit Administration, in accordance with section 4.4 of the Act, in the event any bank primarily liable therefor is unable to pay.
- (c) Each issuance of debt obligations shall meet the collateral requirements set forth in subpart B.
- (d) Each issuance of debt obligations shall be approved by the Farm Credit Administration.
- (e)(1) Consultation with the Secretary of the Treasury required by 31 U.S.C. 9108 shall be conducted by System representatives and shall have occurred prior to each debt issuance.
- (2) Under policies adopted by the Board of the Farm Credit Administra-

tion, the Chairman will consult with the Secretary of the Treasury on a regular basis concerning the exercise by the System of the powers conferred under section 4.2 of the Act.

[54 FR 1160, Jan. 12, 1989]

**§ 615.5102 Issuance of debt obligations through the Funding Corporation.**

(a) The amount, maturities, rates or interest, terms and conditions of participation by the System banks in each issue of joint, consolidated or Systemwide obligations shall be determined by the Funding Corporation established pursuant to section 4.9 of the Act, acting for the banks of the System, subject to the approval of the Farm Credit Administration in accordance with § 615.5102.

(b) The Funding Corporation shall plan and develop funding guidelines, priorities, and objectives based upon the asset/liability management policies of the System institutions and the requirements of the market. The guidelines, priorities, and objectives shall be designed to ensure that the debt marketing responsibilities of the Funding Corporation will continue to provide flexibility for the banks and are fiscally sound.

(c) For all debt issuances conducted by the Funding Corporation, the specific prior approval of the Farm Credit Administration must be obtained prior to the distribution and sale of the obligation pursuant to section 4.9 of the Act.

[54 FR 1160, Jan. 12, 1989]

**§§ 615.5103–615.5104 [Reserved]**

**§ 615.5105 Consolidated Systemwide notes.**

Consolidated Systemwide notes authorized under § 615.5100(b) shall be subject to the following provisions unless otherwise approved by the Farm Credit Administration:

- (a) Maturities shall be not less than five days nor more than 365 days.
- (b) Prices shall be on a discount yield basis or as determined by the Funding Corporation.

[42 FR 32227, June 24, 1977, as amended at 47 FR 28609, July 1, 1982; 54 FR 1160, Jan. 12, 1989; 60 FR 20011, Apr. 24, 1995]