

§ 1228.4

covenants are created on or after February 8, 2011. This part shall not apply to mortgages on properties encumbered by private transfer fee covenants if those covenants are created pursuant to an agreement entered into before February 8, 2011, applicable to land that is identified in the agreement, and the agreement was in settlement of litigation or approved by a government agency or body. This part also applies to securities backed by mortgages to which this part applies, and to securities issued after February 8, 2011, backed by revenue from private transfer fees regardless of when the covenants were created. The regulated entities shall comply with this part not later July 16, 2012.

§ 1228.4 State restrictions unaffected.

This part does not affect state restrictions or requirements with respect to private transfer fee covenants, such as with respect to validity, enforceability, disclosures, or duration.

PART 1229—CAPITAL CLASSIFICATIONS AND PROMPT CORRECTIVE ACTION

Subpart A—Federal Home Loan Banks

Sec.

- 1229.1 Definitions.
- 1229.2 Determination of a Bank's capital classification.
- 1229.3 Criteria for a Bank's capital classification.
- 1229.4 Reclassification by the Director.
- 1229.5 Capital distributions for adequately capitalized Banks.
- 1229.6 Mandatory actions applicable to undercapitalized Banks.
- 1229.7 Discretionary actions applicable to undercapitalized Banks.
- 1229.8 Mandatory actions applicable to significantly undercapitalized Banks.
- 1229.9 Discretionary actions applicable to significantly undercapitalized Banks.
- 1229.10 Actions applicable to critically undercapitalized Banks.
- 1229.11 Capital restoration plans.
- 1229.12 Procedures related to capital classification and other actions.

Subpart B—Enterprises

- 1229.13 Definitions.

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12 CFR Ch. XII (1–1–24 Edition)

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Subpart A—Federal Home Loan Banks

§ 1229.1 Definitions.

For purposes of this subpart:

Capital distribution means any payment by the Bank, whether in cash or stock, of a dividend, any return of capital or retained earnings by the Bank to its shareholders, any transaction in which the Bank redeems or repurchases capital stock, or any transaction in which the Bank redeems, repurchases or retires any other instrument which is included in the calculation of its total capital.

Class A stock means capital stock issued by a Bank, including subclasses, that has the characteristics specified in section 6(a)(4)(A)(i) of the Bank Act (12 U.S.C. 1426(a)(4)(A)(i)) and related regulations.

Class B stock means capital stock issued by a Bank, including subclasses, that has the characteristics specified in section 6(a)(4)(A)(ii) of the Bank Act (12 U.S.C. 1426(a)(4)(A)(ii)) and related regulations.

Critical capital level for a Bank means an amount equal to 2 percent of the Bank's total assets.

Executive officer means for a Bank any of the following persons, provided that the Director may from time to time add or remove persons, positions, or functions to or from the list (individually for one or more Banks or jointly for all the Banks) by communication to the affected Banks:

(1) Executive officers about whom the Banks must publicly disclose detailed compensation information under Regulation S-K, 17 CFR part 229, issued by the Securities and Exchange Commission;

(2) Any other executive who occupies one of the following positions or is in charge of one of the following subject areas:

- (i) Overall Bank operations, such as the Chief Operating Officer or an equivalent employee;
- (ii) Chief Financial Officer or an equivalent employee;
- (iii) Chief Administrative Officer or an equivalent employee;