

**§ 1795d. Capital stock****(a) Opening of books; minimum subscription**

As soon as practicable, the Board shall open books for subscriptions to the capital stock of the Facility. The minimum subscription shall be \$50.

**(b) Requirements**

The capital stock of the Facility—

(1) shall be divided into shares having a par value of \$50 each;

(2) shall be paid for with cash or with securities of the United States or any Agency thereof in accordance with requirements the Board may impose;

(3) shall share in dividend distributions at rates determined by the Board. However, rates on the required capital stock shall be without preference; and

(4) shall not be transferred or hypothecated except as provided for herein.

**(c) Redemption of stock**

When circumstances require that all or a portion of a member's stock be redeemed by the Facility, the Board shall pay an amount equal to what the member originally paid for the stock less any amount owed by the member to the Facility.

**(d) Use of subscription amount**

At least one-half of the payment for the subscription amount required for membership under section 1795c of this title shall be transferred to the Facility. The remainder may be held by the member on call of the Board and shall be invested in assets designated by the Board.

**(e) Restriction on advances to credit unions**

A credit union or credit union group that becomes a member of the Facility later than six months after the date the Board opens books for capital stock subscriptions, may not borrow or receive advances from the Facility without approval by the Board for a period of six months after becoming a member.

(June 26, 1934, ch. 750, title III, formerly subch. III, §305, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978, 92 Stat. 3681, 3721; Pub. L. 96-221, title III, §309(a)(2), (4), (b)(1), Mar. 31, 1980, 94 Stat. 148, 149.)

**Editorial Notes****CODIFICATION**

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

**AMENDMENTS**

1980—Subsec. (a). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator”, such change having been previously made by Pub. L. 95-630.

Subsec. (b). Pub. L. 96-221, §309(a)(2), (4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630, and in par. (3) inserted specific requirement that rates on required capital stock be without preference.

Subsecs. (c) to (e). Pub. L. 96-221, §309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630.

1978—Pub. L. 95-630, §502(b), substituted “Board” for “Administrator” wherever appearing.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 1978 AMENDMENT**

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

**EFFECTIVE DATE**

Section effective Oct. 1, 1979, see section 1806 of Pub. L. 95-630, set out as a note under section 1795 of this title.

**§ 1795e. Extensions of credit**

(a)(1) A member may apply for an extension of credit from the Facility to meet its liquidity needs. The Board shall approve or deny any such application within five working days after receiving it. The Board shall not approve an application for credit the intent of which is to expand credit union portfolios.

(2) The Board may advance funds to a member on terms and conditions prescribed by the Board after giving due consideration to creditworthiness.

(3) The Board shall not advance funds for the benefit of a credit union whose share or deposit accounts are insured by a State share or deposit guaranty credit union, insurance corporation, or guaranty association, without consultation with the appropriate State share or deposit guaranty credit union, insurance corporation, or guaranty association.

(b) The Secretary of the Treasury is authorized to lend to the Facility up to \$500,000,000, in the event the Board certifies to the Secretary that the Facility does not have sufficient funds to meet liquidity needs of credit unions. Any such loan shall bear an interest rate not greater than one-eighth of 1 per centum above the current average market yield on outstanding obligations of the United States with remaining time to maturity comparable to the maturity of such loan. The authority of the Secretary to lend under this subsection shall be limited to such extent or in such amounts as are provided in advance in appropriation Acts.

(June 26, 1934, ch. 750, title III, formerly subch. III, §306, as added and amended Pub. L. 95-630, title V, §502(b), title XVIII, §1802, Nov. 10, 1978, 92 Stat. 3681, 3721; Pub. L. 96-221, title III, §309(a)(4), (b)(1), Mar. 31, 1980, 94 Stat. 149; Pub. L. 116-136, div. A, title IV, §4016(a)(3), (b)(1)(C), Mar. 27, 2020, 134 Stat. 482.)

**Editorial Notes****CODIFICATION**

Section 309(b)(1) of Pub. L. 96-221 redesignated subch. III as title III of act June 26, 1934, ch. 750, cited as a credit to this section.

**AMENDMENTS**

2020—Subsec. (a)(1). Pub. L. 116-136, §4016(b)(1)(C), which directed substitution of “the intent of which is to expand credit union portfolios” for “without first having obtained evidence from the applicant that the applicant has made reasonable efforts to first use primary sources of liquidity of the applicant, including

balance sheet and market funding sources, to address the liquidity needs of the applicant” in the second sentence, was executed by making the substitution in the third sentence, to reflect the probable intent of Congress.

Pub. L. 116-136, § 4016(a)(3), which directed substitution of “without first having obtained evidence from the applicant that the applicant has made reasonable efforts to first use primary sources of liquidity of the applicant, including balance sheet and market funding sources, to address the liquidity needs of the applicant” for “the intent of which is to expand credit union portfolios” in the second sentence, was executed by making the substitution in the third sentence, to reflect the probable intent of Congress.

1980—Subsecs. (a), (b). Pub. L. 96-221, § 309(a)(4), substituted “Board” for “Administrator” wherever appearing, such change having been previously made by Pub. L. 95-630.

1978—Pub. L. 95-630, § 502(b), substituted “Board” for “Administrator” wherever appearing.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by section 4016(b)(1)(C) of Pub. L. 116-136, effective Dec. 31, 2020, see section 4016(b)(2) of Pub. L. 116-136, set out as a note under section 1795a of this title.

##### EFFECTIVE DATE OF 1978 AMENDMENT

Amendment effective on expiration of 120 days after Nov. 10, 1978, and transitional provisions, see section 509 of Pub. L. 95-630, set out as a note under section 1752 of this title.

##### EFFECTIVE DATE

Section effective Oct. 1, 1979, see section 1806 of Pub. L. 95-630, set out as a note under section 1795 of this title.

### § 1795f. Powers of Board

#### (a) General authorities

The Board on behalf of the Facility shall have the ability to—

(1) prescribe the manner in which the general business of the Facility shall be conducted;

(2) prescribe rules and regulations to carry out this subchapter;

(3) determine the expenditures incurred by the Administration to carry out this subchapter, and the expenditures incurred by the Facility to carry out subchapters I and II of this chapter, and annually assess the Facility and the Administration accordingly;

(4) borrow from—

(A) any source, provided that the total face value of these obligations shall not exceed twelve times the subscribed capital stock and surplus of the Facility, provided that, the total face value of such obligations shall not exceed 16 times the subscribed capital stock and surplus of the Facility for the period beginning on March 27, 2020, and ending on December 31, 2021; and

(B) the National Credit Union Share Insurance Fund up to \$500,000 to defray initial organizational and operating expenses of the Facility at such rates and terms consistent with prevailing market conditions;

(5) guarantee performance of the terms of any financial obligation of a member but only

when such obligation bears a clear and conspicuous notice on its face that only the resources of the Facility underlie such guarantee;

(6) purchase any asset from a member with the member’s endorsement;

(7) invest in obligations of the United States or any agency thereof;

(8) make deposits in federally insured financial institutions and make investments in shares or deposits of credit unions;

(9) sue and be sued, complain, and defend, in any State or Federal court;

(10) adopt a seal;

(11) pursue to final disposition by way of compromise or otherwise claims both for and against the United States (other than tort claims, claims involving administrative expenses, and claims in excess of \$5,000 arising out of contracts for construction, repairs, and the purchase of supplies and materials) which are not in litigation and have not been referred to the Department of Justice;

(12) appoint officers and employees to assist in carrying out this subchapter, who shall be appointed subject to the provisions of title 5;

(13) conduct business, carry on operations, have offices, and exercise the powers granted by this subchapter in any State or territory;

(14) lease, purchase, or otherwise acquire and own, hold, improve, use, or otherwise deal in and with property, real, personal, or mixed, or any interest therein, wherever situated;

(15) enter into contracts with any public or private organization, partnership, corporation, or individual;

(16) advance funds on a fully secured basis to a State credit union share or deposit insurance corporation, guaranty credit union, or guaranty association. Such advance shall not exceed twelve months in maturity, shall be repaid at an interest rate not exceeding that imposed by the Facility, and shall not be renewable;

(17) exercise such incidental powers as shall be necessary or requisite to enable it to carry out effectively the purposes for which the facility is incorporated; and

(18) advance funds to the National Credit Union Share Insurance Fund under such terms and conditions as may be established by the Board.

#### (b) Collection and settlement of checks, share drafts, etc.; charges; rules and regulations

(1) The Board may authorize the Central Liquidity Facility or its Agent members, subject to such rules and regulations, including definitions of terms used in this subsection, as the Board shall from time to time prescribe, to be drawees of, and to engage in, or be agents or intermediaries for, or otherwise participate or assist in, the collection and settlement of (including presentment, clearing, and payment of, and remitting for), checks, share drafts, or any other negotiable or nonnegotiable items or instruments of payment drawn on or issued by members of the Central Liquidity Facility, any of its Agent members, or any other credit union eligible to become a member of the Central Liquidity Facility, and to have such incidental