

the Treasury withhold such approval for a period longer than sixty days unless, prior to the end of such period, he submits to the Congress a detailed explanation of his reasons for so doing. In no case shall the Secretary withhold such approval for a period longer than one hundred and twenty days. To the maximum extent practicable, withholdings of approval shall be made in a manner which is not disproportionately detrimental to the functioning of any particular type of Federal program. Expedited treatment shall be accorded in any case in which the Federal agency advises the Secretary of the Treasury that unusual circumstances require such treatment.

(c) Time and form for submission of financing plans

Federal agencies subject to this section shall submit financing plans to the Secretary of the Treasury at such times and in such forms as he shall prescribe.

(Pub. L. 93-224, § 7, Dec. 29, 1973, 87 Stat. 938.)

EFFECTIVE DATE

Section effective on expiration of 30 days after Dec. 29, 1973, see section 20 of Pub. L. 93-224, set out as a note under section 2281 of this title.

§ 2287. Initial capital

The Secretary of the Treasury is authorized to advance the funds necessary to provide initial capital to the Bank. Each such advance shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. Interest payments on such advances may be deferred, at the discretion of the Secretary, but any such deferred payments shall themselves bear interest at the rate specified in this section. There is authorized to be appropriated not to exceed \$100,000,000, which shall be available for the purposes of this section without fiscal year limitation.

(Pub. L. 93-224, § 8, Dec. 29, 1973, 87 Stat. 939.)

§ 2288. Bank obligations

(a) Maximum amount of obligations issued publicly and outstanding at any one time

The Bank is authorized, with the approval of the Secretary of the Treasury, to issue publicly and have outstanding at any one time not in excess of \$15,000,000,000, or such additional amounts as may be authorized in appropriations Acts, of obligations having such maturities and bearing such rate or rates of interest as may be determined by the Bank. Such obligations may be redeemable at the option of the Bank before maturity in such manner as may be stipulated therein. So far as is feasible, the debt structure of the Bank shall be commensurate with its asset structure.

(b) Purchase and sale of obligations of Federal Financing Bank by Secretary of the Treasury as public debt transactions

The Bank is also authorized to issue its obligations to the Secretary of the Treasury and the

Secretary of the Treasury may in his discretion purchase or agree to purchase any such obligations, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under chapter 31 of title 31, and the purposes for which securities may be issued under chapter 31 of title 31 are extended to include such purchases. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All purchases and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

(c) Authority of Federal Financing Bank to require Secretary of the Treasury to purchase obligations of the Bank

The Bank may require the Secretary of the Treasury to purchase obligations of the Bank issued pursuant to subsection (b) of this section in such amounts as will not cause the holding by the Secretary of the Treasury resulting from such required purchases to exceed \$5,000,000,000 at any one time. This subsection shall not be construed as limiting the authority of the Secretary to purchase obligations of the Bank in excess of such amount.

(d) Bank obligations as lawful investments

Obligations of the Bank issued pursuant to this section shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, or any agency or instrumentality of any of the foregoing, or any officer or officers thereof.

(Pub. L. 93-224, § 9, Dec. 29, 1973, 87 Stat. 939.)

CODIFICATION

In subsec. (b), “chapter 31 of title 31” substituted for “the Second Liberty Bond Act” on authority of Pub. L. 97-258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

§ 2289. General powers

The Bank shall have power—

(1) to sue and be sued, complain, and defend, in its corporate name;

(2) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal bylaws, rules, and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, and have offices and exercise the powers granted by this chapter in any State without regard to any qualification or similar statute in any State;

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

(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Bank;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to define their duties, to fix and to pay such compensation for their services as may be determined, subject to the civil service and classification laws, to require bonds for them and pay the premium thereof;

(9) to enter into contracts, to execute instruments to incur liabilities, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business;

(10) to act through any corporate or other agency or instrumentality of the United States, and to utilize the services thereof on a reimbursable basis, and any such agency or instrumentality is authorized to provide services as requested by the Bank; and

(11) to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

(Pub. L. 93-224, § 10, Dec. 29, 1973, 87 Stat. 940.)

REFERENCES IN TEXT

The civil service laws, referred to in par. (8), are set forth in Title 5, Government Organization and Employees. See, particularly, section 3301 et seq. of Title 5.

The classification laws, referred to in par. (8), are classified to chapter 51 (§ 5101 et seq.) and subchapter III (§ 5331 et seq.) of chapter 53 of Title 5.

§ 2290. Exemptions

(a) Federal, State, and local taxes

The Bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority; except that (1) any real property and any tangible personal property of the Bank shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any obligations issued by the Bank shall be subject to Federal taxation to the same extent as the obligations of private corporations are taxed.

(b) Exempt securities

All obligations issued by the Bank pursuant to this chapter shall be deemed to be exempted securities within the meaning of sections 77c(a)(2), 77ddd(a)(4), and 78c(a)(12) of title 15.

(c) Budget status of Federal agencies; restrictions

Nothing herein shall affect the budget status of the Federal agencies selling obligations to the

Bank under section 2285(a) of this title, or the method of budget accounting for their transactions. The receipts and disbursements of the Bank in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

(Pub. L. 93-224, § 11, Dec. 29, 1973, 87 Stat. 940.)

§ 2291. Preparation of obligations

In order to furnish obligations for delivery by the Bank, the Secretary of the Treasury is authorized to prepare such obligations in such form as the Bank may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the Bank. The engraved plates, dies, bed pieces, and other material executed in connection therewith, shall remain in the custody of the Secretary of the Treasury. The Bank shall reimburse the Secretary of the Treasury for any expenditures made in preparation, custody, and delivery of such obligations.

(Pub. L. 93-224, § 12, Dec. 29, 1973, 87 Stat. 941.)

§ 2292. Annual report to the President and Congress

The Bank shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress an annual report of its operations and activities.

(Pub. L. 93-224, § 13, Dec. 29, 1973, 87 Stat. 941.)

§ 2293. Budget and audit provisions of Government corporation control law applicable

The budget and audit provisions of chapter 91 of title 31 shall be applicable to the Federal Financing Bank in the same manner as they are applied to the wholly owned Government corporations named in section 9101(3) of title 31.

(Pub. L. 93-224, § 15, Dec. 29, 1973, 87 Stat. 941.)

CODIFICATION

“Chapter 91 of title 31” and “section 9101(3) of title 31” substituted in text for “the Government Corporation Control Act (31 U.S.C. 841 et seq.)” and “section 101 of such Act (31 U.S.C. 846)”, respectively, on authority of Pub. L. 97-258, § 4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

§ 2294. Payments on behalf of public bodies

(a) Notwithstanding any other provision of this chapter, the purchase by the Bank of the obligations of any local public body or agency within the United States shall be made upon such terms and conditions as may be necessary to avoid an increase in borrowing costs to such local public body or agency as a result of the purchase by the Bank of its obligations. The head of the Federal agency guaranteeing such obligations, in consultation with the Secretary of the Treasury, shall estimate the borrowing costs that would be incurred by the local public body or agency if its obligations were not sold to the Bank.

(b) The Federal agency guaranteeing obligations purchased by the Bank may contract to