

TITLE 12 - BANKS AND BANKING
CHAPTER 14 - FEDERAL CREDIT UNIONS
SUBCHAPTER III - CENTRAL LIQUIDITY FACILITY

§ 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.)

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—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.

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.