

SUBCHAPTER A—GENERAL PROVISIONS

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SUBCHAPTER B—RESOLUTION FUNDING CORPORATION

PART 1510—RESOLUTION FUNDING CORPORATION OPERATIONS

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§ 1510.1 Definitions.

General. Unless another definition is provided in this subchapter, the following definitions will apply to terms used in this subchapter.

Act means the Federal Home Loan Bank Act as amended (12 U.S.C. 1421 *et seq.*).

Administrative expenses means costs incurred as necessary to carry out the functions of the Funding Corporation, including custodian fees; but does not include any interest on, or redemption premium with respect to, any obligation of the Funding Corporation or any issuance costs.

Bank or banks means a Federal home loan bank or all the Federal home loan banks.

Board means the Oversight Board established in section 21A(a)(1) of the Act.

Custodian fees means any fee incurred by the Funding Corporation in connection with the transfer of any security to, or the maintenance of any security in, the Funding Corporation Principal Fund and any other expense incurred in connection with the establishment or maintenance of the Funding Corporation Principal Fund.

Deficient bank means a bank whose allocation under section 21B(e)(5) of the Act exceeds the amount applicable to such bank under section 21B(e)(3) of the Act as provided in section 21B(e)(6) of the Act.

Directorate means the Directorate of the Funding Corporation.

Excess amount means the amount by which a bank's required contribution pursuant to section 21B(e)(5) of the Act exceeds the maximum amount limitation applicable to such Bank pursuant to section 21B(e)(3) of the Act as provided in section 21B(e)(6) of the Act.

FDIC means the Federal Deposit Insurance Corporation established pursuant to section 1 of the Federal Deposit Insurance Act, as amended, 12 U.S.C. 1811, *et seq.*

Financing Corporation means the Financing Corporation established pursuant to section 21(a) of the Act.

FSLIC Resolution Fund means the FSLIC Resolution Fund established pursuant to section 11A(a)(1) of the Federal Deposit Insurance Act, as amended 12 U.S.C. 1811, *et seq.*

Funding Corporation means the Resolution Funding Corporation established pursuant to section 21B(b) of the Act.

Funding Corporation Principal Fund means the separate account established under section 21B(g)(2) of the Act.

Issuance costs means issuance fees and commissions incurred by the Funding Corporation in connection with the issuance or servicing of any obligation of the Funding Corporation, and includes legal and accounting expenses, trustee and fiscal and paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses, to the extent that any such cost or expense is incurred by the Funding Corporation in connection with the issuance of any obligation.

Net earnings means net earnings without reduction for chargeoffs or expenses incurred by a bank for the purchase of capital stock of the Financing Corporation or payments relating to the Funding Corporation required by the Board under sections 21B (e) and (f) of the Act.

Remaining bank means a bank that is not allocated an amount under section 21B(e)(5) of the Act that exceeds its maximum amount limitation applicable to such bank under section 21B(e)(3) of the Act as provided in section 21B(e)(6) of the Act.

RTC means the Resolution Trust Corporation established pursuant to section 21A(b)(1)(A) of the Act.

§ 1510.2 General authority.

The Funding Corporation may exercise all authority granted to it by the Act and by its bylaws, whether or not specifically implemented by Board regulations, subject to the limitations and interpretations contained in this part and such regulations, orders and directions as the Board may prescribe.

§ 1510.3 Authorization of establishment of investment policies and procedures.

The Directorate may establish from time to time, with the approval of the Board, investment policies and procedures from time to time with respect to assets of the Funding Corporation which are not required to be invested in the capital certificates issued by the RTC and are not needed for current interest payments. These investment policies and procedures shall be consistent with the provisions of section 21B(g) of the Act.

§ 1510.4 Authority to issue obligations.

(a) Upon direction by the Board, the Directorate is authorized to cause the Funding Corporation to create and issue in one or more issues, one or more series of Funding Corporation bonds, notes, debentures or similar obligations in an aggregate principal amount up to the maximum permissible from time to time under section 21B(f)(1) of the Act and having such other terms and conditions as may be specified by the Directorate at the time or times of their issuance. Before any issue is offered for sale, the approval of the Department of Treasury shall be obtained pursuant to section 21B(h)(3) of the Act and 31 U.S.C. 9108.

(b) The net proceeds of each obligation issued by the Funding Corporation shall be used in accordance with the provisions of section 21B(f)(4) of the Act.

§ 1510.5 Federal Reserve bank to be depositaries and fiscal agents.

The Federal Reserve banks are to act as depositaries for or fiscal agents or custodians of the Funding Corporation. Subject to approval by the Oversight Board, the Directorate may also authorize establishment of demand deposit accounts at one or more financial institutions.

§ 1510.6 Budget and expenses.

(a) The Funding Corporation shall annually submit to the Directorate by November 15, a budget of its proposed expenditures, including administrative expenses for the following year.

(b) By December 1 of each year the Directorate shall submit an approved budget to the Board for final approval.

(c) After such budget has been approved by the Board, the Directorate shall transmit a copy of the budget to each bank president.

(d) In the event that the Funding Corporation projects or anticipates incurring expenses which exceed its approved budget, then an amended budget shall be submitted for approval by the Board in the same manner as the original budget.