§ 1510.7 Billing of administrative expenses.

(a) All administrative expenses of the Funding Corporation shall be paid by the banks.

(b) The amount each bank shall pay shall be determined in the manner provided in section 21B(c)(7)(B) of the Act.

(c) On a periodic basis but not less than semiannually, the Directorate shall determine, based upon a method approved by the Board and in accordance with section 21B(c)(7)(B) of the Act, each bank's pro rata share of the Funding Corporation's administrative expenses, as approved by the Board pursuant to § 1510.6 of this part, and the Directorate shall bill each bank accordingly.

(d) Each bank shall remit its pro rata share of the administrative expenses within ten (10) business days after receipt of the bill as provided by paragraph (c) of this section.

(e) The aggregate amount of administrative expenses for which the banks may be billed for any period, under a budget approved pursuant to § 1510.6 of this part, shall be adjusted as necessary to reflect any differences between such aggregate expenses projected for the period and those actually incurred in prior periods during the calendar year or to reflect any changes in the estimate of such aggregate expenses expected to be incurred in the coming period; however, in no event shall the aggregate of all bills issued to the banks exceed the budget, or the amended budget approved pursuant to § 1510.6 of this part.

§ 1510.8 Issuance expenses.

After receipt of the proceeds (less any discount, plus any premium) of any obligation issued by the Funding Corporation and prior to the purchase of capital certificates issued by the RTC, pursuant to section 21A of the Act, or refunding any previously issued obligation, pursuant to section 21B(f)(1) of the Act, the Funding Corporation shall deduct its issuance costs as budgeted in the budget approved by the Board.

§ 1510.9 Capitalization of Funding Corporation.

(a) *Funding projections.* (1) Not later than December 15 and June 15 of each year, the Directorate shall project how it will raise funds for the Funding Corporation (including the amount of funds needed from the banks) and pay interest on outstanding obligations of the Funding Corporation during the following year, specifically including the projected dollar amount to be raised and the projected settlement date(s). Not later than March 15, June 15, September 15, and December 15 of each year, the Directorate shall update its projections for the remainder of the year and confirm the dollar amount raised and the settlement dates and amount of interest paid in the preceding period.

(2) Not later than December 15 of each year, each bank shall submit to the Directorate a statement prepared by an officer at such bank containing such bank's earning projections for the following year. Not later than March 15, June 15, September 15 and December 15 of each year, such officer shall provide to the Directorate an updated report containing the previous quarter's earnings and updating the projections for the remainder of the year.

(3) Not later than each December 20 and June 20, the Directorate shall submit the funding projections to the Board for review. Not later than March 20, June 20, September 20 and December 20 of each year, the Directorate shall submit the updated projections to the Board for review.

(4) Not later than December 31 and June 30, the Directorate shall notify each bank of the amount of projected funds needed by the Directorate from the banks, the aggregate amount available from all the banks and each bank's projected pro rata share calculated in accordance with the provisions of section 21B of the Act. In no event shall the amount projected to be requested from the banks in any given calendar year exceed the three hundred million dollar ($300,000,000) maximum amount limitation set forth in sections 21B(e)(3)(B) and (C) of the Act, plus applicable amounts in section 21B(e)(3)(A) of the Act.

(5) Once the funding projections are approved by the Board, not later than December 31 and June 30 of each year, the Directorate shall provide the banks with projections of how it will raise funds for the Funding Corporation (including the amount of funds needed from the banks) and pay interest on outstanding obligations of the Funding Corporation during the following year, specifically including the projected dollar amount to be raised and the projected settlement date(s). Once the updated projections are approved by the Board, not later than March 31, June 30, September 30, and December 31 of each year, the Directorate shall provide the banks with a report updating its projections for the remainder of the year and confirming the dollar amount raised and the settlement dates and amount of interest paid in the preceding quarter.

(6) The projections required by this subsection shall not apply to amounts required to capitalize the Funding Corporation prior to October 31, 1989.

(b) *Capital assessments of Federal home loan banks*—(1) *General.* (i) Upon direction by the Board, the Directorate shall require each bank to invest in nonvoting capital stock of the Funding Corporation so that the Funding Corporation may defease its obligations proposed to be issued pursuant to section 21B of the Act.

(ii) The banks collectively are directed to purchase, when and as instructed by the Directorate, in one or more issues, Funding Corporation nonvoting capital stock at a purchase price of $1.00 per share. Such stock shall be subject to such terms and conditions as are prescribed in the bylaws of the Funding Corporation, as the same may be amended from time to time. The amount of stock which each bank shall be required to purchase within each issue shall be:

(A) As to the amount of Funding Corporation stock purchased pursuant to section 21B(e)(3) of the Act and Financing Corporation stock purchased pursuant to section 21(d)(3) of the Act, in the aggregate, up to the initial one billion dollars ($1,000,000,000) in accordance with the ratios prescribed in section 21B(e)(4) of the Act.

(B) As to the amount of Funding Corporation stock purchased pursuant to section 21B(e)(3) of the Act and Financing Corporation stock purchased pursuant to section 21(d)(3) of the Act, in the aggregate, in excess of one billion dollars ($1,000,000,000), in accordance with the ratios prescribed in section 21B(e)(5) of the Act.

(iii) (A) If the amount any bank is required to invest in capital stock of the Funding Corporation exceeds its maximum investment limitation as determined pursuant to section 21B(e)(3) of the Act, the Directorate is authorized to require each remaining bank to invest in such additional capital stock of the Funding Corporation as provided for in section 21B(e)(6) of the Act.

(B) The amount of Funding Corporation stock required to be purchased by the banks shall be determined by deducting, pursuant to sections 21B(e)(3)(A) and (B) of the Act, the amount of Financing Corporation capital stock that the banks are required to purchase pursuant to section 21 of the Act. If the amount of Financing Corporation capital stock that the banks are required to purchase exceeds the annual three hundred million dollar ($300,000,000) limitation on purchases of Funding Corporation capital stock prescribed by sections 21B(e)(3)(B) and (C) of the Act, then the amount of Financing Corporation capital stock purchased in excess of such limitations shall be credited in the following year or years, as the case may be.

(iv) The shares shall have a par value of $1.00 per share and may be transferable at not less than par value only among the banks.

(v) Shares of Funding Corporation stock shall be issued in certificate or in book entry form. The Directorate shall establish procedures for appointing a registrar and a transfer agent.

(2) *Request for funds to capitalize the Funding Corporation.* (i) Approximately forty-five (45) days in advance of the date that funds are needed by the RTC, the Board shall advise the Directorate in writing of the amount of funds required and the due date.

(ii) The Directorate shall determine, according to a method approved by the Board, and in accordance with sections

21B(e)(4) and (5) of the Act, each bank's pro rata share of the amount needed to defease the obligations issued by the Funding Corporation in accordance with the provisions of section 21B of the Act. The Directorate shall notify each bank, in writing, at least 15 days in advance of the amount and due date of its pro rata share.

(iii) Each bank shall wire immediately available and finally collected funds to the Funding Corporation on the due date.

(iv) The time for the notice requirements shall not apply to requests for funds to capitalize the Funding Corporation made prior to October 31, 1989.

(c) *Industry assessments.* (1) The Funding Corporation is authorized to collect, with the approval of the Board of Directors of the FDIC, the assessments of SAIF members, pursuant to section 21B(e)(7)(A) of the Act, through a joint collection agent.

(2) The Funding Corporation, based upon projections of the amount needed for the Funding Corporation Principal Fund and projections of the amounts available from the banks and from SAIF members' assessments, shall determine the amount of available bank funds pursuant to sections 21B(e) (3), (4), (5), and (6) of the Act and shall also determine the percentage of assessments on SAIF members needed, if any, to fund the Funding Corporation Principal Fund. In making the determination of the percentage of assessments needed from SAIF members, the Funding Corporation shall deduct the amount assessed, if any, by the Financing Corporation, pursuant to section 21B(e)(7)(A)(iii) of the Act and the limitations prescribed in section 21B(e)(7)(A) of the Act.

(3) Based upon the determination made under paragraph (c)(2) of this section, the Funding Corporation shall notify the FDIC, the Financing Corporation and the joint collection agent of the percentage of assessments from SAIF members it needs.

(d) *Receivership proceeds.* To the extent the amounts available pursuant to paragraphs (b) and (c) of this section are insufficient to fund the Funding Corporation Principal Fund, upon written request from the Directorate, the FDIC shall transfer funds to the Funding Corporation representing proceeds from liquidating dividends and payments made on claims received by the FSLIC Resolution Fund from receiverships. Such written request shall state the amount of funds needed and the date by which the funds are needed.

§ 1510.10 Funding Corporation Principal Fund Reserve Account.

(a) Upon becoming a deficient bank, a bank shall set aside in a reserve account the amounts required by section 21B(e)(6)(D) of the Act.

(b) The balance in the reserve account, which shall not exceed the amount of the total deficiency of the deficient bank, shall be available for the sole purpose of purchasing capital stock from the remaining banks that was purchased on behalf of the deficient bank.

(c) Each quarter, each deficient bank shall, prior to any payment of dividends, set aside in the reserve account from net earnings and any reimbursements received from other deficient banks an amount that shall be used to make the purchases of stock required under section 21B(e)(6)(C) of the Act. Pursuant to section 21A(e)(6)(D)(ii) of the Act, the Board shall not require that such amount exceed an amount equal to twenty percent (20%) of the net earnings of the deficient bank. Such limitation, however, shall not prohibit a deficient bank from reserving additional amounts, from reimbursements received from other deficient banks or from other sources, for the purpose of purchasing stock purchased on its behalf by remaining banks.

(d) Interest shall begin to accrue two (2) years after the investments under section 21B(e)(6)(A) of the Act are made on behalf of a deficient bank. Interest shall accrue on the deficient amount at a rate equal to the annual average cost of funds of all banks in the most recent year. Interest payments shall be made annually or quarterly in the manner described in paragraph (e) of this section. Such interest payments are not subject to the limitations on reserve accounts set forth in paragraph (c) of this section.

(e) Annually, not later than each January 31, all amounts set aside in