

## Farm Credit Administration

§ 618.8250

The banks shall not underwrite insurance, adjust claim payments or settlements, or train and school or service adjustors or insurance agents.

(9) No bank or association shall, directly or indirectly, condition the extension of credit or provision of other service on the purchase of insurance sold or endorsed by a bank or association. At the time insurance sold or endorsed by a bank or association is offered to a member or borrower, a bank or association shall present a written notice that the service is optional. The notice shall be in prominent type and separately signed by the member or borrower. The bank or association shall explain to the member or borrower that purchase of insurance from the association is optional and that the member or borrower will not be discriminated against for obtaining the insurance elsewhere.

(10) No bank or association shall, directly or indirectly, discriminate in any manner against any agent, broker, or insurer that is not affiliated with such bank or association, or against any party who purchases insurance through any such nonaffiliated insurance agent, broker, or insurer.

(11) Bank supervision shall ensure that insurance services offered by approved insurers consistently provide members or borrowers with a high quality and cost-effective service as prescribed by policies of the bank's board of directors, but such supervision shall be without any coercion or suasion from any bank in favor of any agent or insurer.

(12) Records must be maintained by banks and associations in sufficient detail to facilitate the review and supervision required herein.

[47 FR 38867, Sept. 3, 1982, as amended at 53 FR 35305, Sept. 13, 1988; 56 FR 65990, Dec. 20, 1991. Redesignated and amended at 60 FR 34099, 34101, June 30, 1995]

### Subpart C—Leasing

#### § 618.8050 Leasing authority.

A Farm Credit bank or association with direct lending authority may own and lease, or lease with option to purchase, to its eligible borrowers, equipment or facilities needed in the farm-

ing and aquatic or cooperative operations of such eligible borrowers.

[55 FR 24888, June 19, 1990]

#### § 618.8060 Leasing limitations.

This authority shall not be operative until such time as adequate programs have been formulated and approved by the bank's board.

[37 FR 11442, June 7, 1972. Redesignated at 47 FR 12151, Mar. 22, 1982, as amended at 54 FR 1151, Jan. 12, 1989; 54 FR 50736, Dec. 11, 1989]

### Subparts D-E [Reserved]

### Subpart F—Miscellaneous Provisions

SOURCE: 37 FR 11442, June 7, 1972, unless otherwise noted. Redesignated at 47 FR 12151, Mar. 22, 1982.

#### § 618.8210 Conducting information programs.

Recognizing the importance of informed members and prospective members to the success of a cooperative organization, the banks and associations should conduct information programs to inform the farmers and the general public about their organization, functions, and services. These efforts may include use of publications, advertising, motion pictures, news releases, broadcast materials, special educational events and other member relations and public information methods. Such programs shall be coordinated within each district and, where appropriate, across district lines.

[37 FR 11442, June 7, 1972. Redesignated at 47 FR 12151, Mar. 22, 1982, and amended at 56 FR 2675, Jan. 24, 1991]

#### § 618.8220 [Reserved]

#### § 618.8230 [Reserved]

#### § 618.8250 Purchases and sales of personal property.

Personal property shall be bought and sold by the banks and associations in accordance with policies and practices adopted by the district board. In order to avoid grounds for allegations of favoritism or fraud a bank or association shall not sell surplus property above a stated value established by the