

Federal Housing Finance Board

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6(b), 10(c) and 10(e) of the Act (12 U.S.C. 1426(b), 1430(c), 1430(e)).

(The information collection requirements contained in this section have been approved where applicable by the Office of Management and Budget under control number 3069-0004)

[58 FR 43542, Aug. 17, 1993, as amended at 58 FR 50837, Sept. 29, 1993; 58 FR 53023, Oct. 13, 1993; 58 FR 58231, Oct. 29, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996; 63 FR 65692, Nov. 30, 1998; 65 FR 8261, Feb. 18, 2000; 67 FR 12849, Mar. 20, 2002]

§ 925.23 Purchase of excess stock.

A member may purchase stock in excess of the minimum amount required by § 925.20(a) of this part as long as such purchase is approved by the member's Bank and the laws under which the member operates permit such purchase.

[58 FR 43542, Aug. 17, 1993. Redesignated and amended at 61 FR 42542, 42549, Aug. 16, 1996; 65 FR 8262, Feb. 18, 2000]

Subpart E—Consolidations Involving Members

SOURCE: 58 FR 43542, Aug. 17, 1993, unless otherwise noted. Redesignated at 61 FR 42542, Aug. 16, 1996.

§ 925.24 Consolidations involving members.

(a) *Consolidation of members.* Upon the consolidation of two or more institutions that are members of the same Bank into one institution operating under the charter of one of the consolidating institutions, the membership of the surviving institution shall continue and the membership of each disappearing institution shall terminate on the cancellation of its charter. Upon the consolidation of two or more institutions, at least two of which are members of different Banks, into one institution operating under the charter of one of the consolidating institutions, the membership of the surviving institution shall continue and the membership of each disappearing institution shall terminate upon cancellation of its charter, provided, however, that if more than 80 percent of the assets of the consolidated institution are derived from the assets of a disappearing institution, then the consolidated in-

stitution shall continue to be a member of the Bank of which that disappearing institution was a member prior to the consolidation, and the membership of the other institutions shall terminate upon the effective date of the consolidation.

(b) *Consolidation into nonmember—(1) In general.* Upon the consolidation of a member into an institution that is not a member of a Bank, where the consolidated institution operates under the charter of the nonmember institution, the membership of the disappearing institution shall terminate upon the cancellation of its charter.

(2) *Notification.* If a member has consolidated into a nonmember that has its principal place of business in a state in the same Bank district as the former member, the consolidated institution shall have 60 calendar days after the cancellation of the charter of the former member within which to notify the Bank of the former member that the consolidated institution intends to apply for membership in such Bank. If the consolidated institution does not so notify the Bank by the end of the period, the Bank shall require the liquidation of any outstanding indebtedness owed by the former member, shall settle all outstanding business transactions with the former member, and shall redeem or repurchase the Bank stock owned by the former member in accordance with § 925.29.

(3) *Application.* If such a consolidated institution has notified the appropriate Bank of its intent to apply for membership, the consolidated institution shall submit an application for membership within 60 calendar days of so notifying the Bank. If the consolidated institution does not submit an application for membership by the end of the period, the Bank shall require the liquidation of any outstanding indebtedness owed by the former member, shall settle all outstanding business transactions with the former member, and shall redeem or repurchase the Bank stock owned by the former member in accordance with § 925.29.

(4) *Outstanding indebtedness.* If a member has consolidated into a nonmember institution, the Bank need not

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require the former member or its successor to liquidate any outstanding indebtedness owed to the Bank or to redeem its Bank stock, as otherwise may be required under § 925.29, during:

(i) The initial 60 calendar-day notification period;

(ii) The 60 calendar-day period following receipt of a notification that the consolidated institution intends to apply for membership; and

(iii) The period of time during which the Bank processes the application for membership.

(5) *Approval of membership.* If the application of such a consolidated institution is approved, the consolidated institution shall become a member of that Bank upon the purchase of the amount of Bank stock required by section 6 of the Act (12 U.S.C. 1426). If a Bank's capital plan has not taken effect, the amount of stock that the consolidated institution is required to own shall be as provided in § 925.20 and § 925.22. If the capital plan for the Bank has taken effect, the amount of stock that the consolidated institution is required to own shall be equal to the minimum investment established by the capital plan for that Bank.

(6) *Disapproval of membership.* If the Bank disapproves the application for membership of the consolidated institution, the Bank shall require the liquidation of any outstanding indebtedness owed by, and the settlement of all other outstanding business transactions with, the former member, and shall redeem or repurchase the Bank stock owned by the former member in accordance with § 925.29.

(c) *Dividends on acquired Bank stock.* A consolidated institution shall be entitled to receive dividends on the Bank stock that it acquires as a result of a consolidation with a member in accordance with § 931.4(a) of this chapter.

(d) *Stock transfers.* With regard to any transfer of Bank stock from a disappearing member to the surviving or consolidated member, as appropriate, for which the approval of the Finance Board is required pursuant to section 6(f) of the Act (12 U.S.C. 1426(f)), as in effect prior to November 12, 1999, such transfer shall be deemed to be approved by the Finance Board by compliance in

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all applicable respects with the requirements of this section.

(The Office of Management and Budget has approved the information collection contained in this section and assigned control number 3069-0004 with an expiration date of April 30, 2001)

[66 FR 8308, Jan. 30, 2001, as amended at 67 FR 12849, Mar. 20, 2002]

Subpart F—Withdrawal and Removal From Membership

SOURCE: 58 FR 43542, Aug. 17, 1993, unless otherwise noted. Redesignated at 61 FR 42542, Aug. 16, 1996.

§ 925.26 Voluntary withdrawal from membership.

(a) *In general.* (1) Any institution may withdraw from membership by providing to the Bank written notice of its intent to withdraw from membership. A member that has so notified its Bank shall be entitled to have continued access to the benefits of membership until the effective date of its withdrawal, but the Bank need not commit to providing any further services, including advances, to a withdrawing member that would mature or otherwise terminate subsequent to the effective date of the withdrawal. A member may cancel its notice of withdrawal at any time prior to its effective date by providing a written cancellation notice to the Bank. A Bank may impose a fee on a member that cancels a notice of withdrawal, provided that the fee or the manner of its calculation is specified in the Bank's capital plan.

(2) A Bank shall notify the Finance Board within 10 calendar days of receipt of any notice of withdrawal or notice of cancellation of withdrawal from membership.

(b) *Effective date of withdrawal.* The membership of an institution that has submitted a notice of withdrawal shall terminate as of the date on which the last of the applicable stock redemption periods ends for the stock that the member is required to hold, as of the date that the notice of withdrawal is submitted, under the terms of a Bank's capital plan as a condition of membership, unless the institution has cancelled its notice of withdrawal prior to