

Type: FCSIC Regulation
Part: PART 1410 - PREMIUMS
Subpart: No Subpart
Section Number: 1410.2
Section Title: Definitions
Date Created: 10/2/2012
Date Modified: 4/25/2017

§ 1410.2 Definitions.

- (a) *Act* means the Farm Credit Act of 1971, as amended.
- (b) *Average principal outstanding* means the average annual principal outstanding on a daily basis using balances as of the close of each day. In computing the average annual principal outstanding in this manner, the closing balance of the most recent past business day shall be the closing balance for days when an institution is closed.
- (c) *Direct lending association* means any production credit association or any other association making direct loans under authority provided under section 7.6 of the Act, including, without limitation, agricultural credit associations and Federal land credit associations.
- (d) *Government-guaranteed loans or investments* means loans or credits or investments, or portions of loans or credits or investments, that are guaranteed:
- (1) By the full faith and credit of the United States Government or any State government; or,
 - (2) By an agency or other entity of the United States Government whose obligations are explicitly guaranteed by the United States Government; or,
 - (3) By an agency or other entity of a State government whose obligations are explicitly guaranteed by such State government.
- (e) *Insured bank* means any Farm Credit bank whose participation in notes, bonds, debentures, and other obligations issued under subsection (c) or (d) of section 4.2 of the Act is insured under part E of title V of the Act, including, without limitation, banks that are in or are placed in receivership or conservatorship to the extent that those banks' participation in such obligations is insured.
- (f) *Loan* means any extension of credit or lease resulting from direct negotiations between a lender and a borrowing entity that is recorded as an asset of an insured bank, a direct lending association, or an other financing institution. The term "loan" includes loans, contracts of sale, notes receivable, and other similar obligations and lease financings. The term "loan" includes loans originated through direct negotiations between the insured bank, direct lending association, or other financing institution and a borrowing entity and loans or interests in loans purchased from another lender. Loans purchased subject to recourse shall be considered loans of the seller to the extent of the recourse.
- (g)(1) *Nonaccrual loan* means any loan where--
- (i) Any amount of outstanding principal and all past and future interest accruals, considered over the full term of the asset, are determined to be uncollectible for any reason; or,
 - (ii) It has been classified "loss" as a result of a periodic credit evaluation and has not been charged off; or,
 - (iii) The loan is severely past due and is not adequately secured, in process of collection, and fully collectible with respect to all principal and interest.
- (2) For the purposes of determining whether a loan is considered as accrual or nonaccrual under this part, all loans on which a borrowing entity, or a component of a borrowing entity, is primarily obligated to the institution shall be considered as one loan

unless a review of all pertinent facts supports a reasonable determination that a particular loan constitutes an independent credit risk and such determination is adequately documented in the loan file.

(h) *Other financing institution* means any bank, company, institution, corporation, union, or association described in section 1.7(b)(1)(B) of the Act.

[56 FR 3201, Jan. 29, 1991; 56 FR 10302, Mar. 11, 1991; 74 FR 17373, Apr. 15, 2009]