

§ 616.6400

- (c) Types of equipment and facilities the institution will lease;
- (d) Remarketing of leased property and associated risks;
- (e) Property tax and sales tax reporting;
- (f) Title and ownership of leased assets;
- (g) Title and licensing for motor vehicles;
- (h) Liability associated with ownership, including any environmental hazards or risks;
- (i) Insurance requirements for both the lessor and lessee;
- (j) Classification of leases in accordance with generally accepted accounting principles; and
- (k) Tax treatment of lease transactions and associated risks.

§ 616.6400 Documentation.

Each institution must document that any asset it leases is within its statutory authority.

§ 616.6500 Investment in leased assets.

An institution may acquire property to be leased that is consistent with current or planned leasing programs.

§ 616.6600 Leasing limit.

All leases made by Farm Credit System institutions shall be subject to the lending and leasing limit in subpart J of part 614 of this chapter.

§ 616.6700 Stock purchase requirements.

(a) Each System institution, except the Farm Credit Leasing Services Corporation, making an equipment lease under titles II or III of the Act must require the lessee to buy or own at least one share of stock or one participation certificate in the institution making the lease, in accordance with its by-laws.

(b) The disclosure requirements of § 615.5250(a) and (b) of this chapter apply to stock (or participation certificates) bought as a condition for obtaining a lease.

§ 616.6800 Disclosure requirements.

(a) Each System institution must give to each lessee a copy of all lease documents signed by the lessee within

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a reasonable time following lease closing.

(b) Each System institution must make its decision on a lease application as soon as possible and provide prompt written notice of its decision to the applicant.

PART 617—BORROWER RIGHTS

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Sec.

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