

§933(b), 95 Stat. 570, authorized appropriations for grants and contracts under former sections 300l-5(a), 300m-4(a), and 300n-3(a) of this title.

#### AMENDMENTS

2007—Subsec. (a). Pub. L. 110-18 struck out “and” after “\$150,000,000 for fiscal year 1994,” and inserted before period at end “, \$225,000,000 for fiscal year 2008, \$245,000,000 for fiscal year 2009, \$250,000,000 for fiscal year 2010, \$255,000,000 for fiscal year 2011, and \$275,000,000 for fiscal year 2012”.

1998—Subsec. (a). Pub. L. 105-340 substituted “2003” for “1998”.

1993—Pub. L. 103-183, §102(b), inserted “for general program” after “Funding” in section catchline.

Subsec. (a). Pub. L. 103-183, §103, struck out “and” after “1991.” and inserted before period at end “, \$150,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998”.

### SUBCHAPTER XIV—HEALTH RESOURCES DEVELOPMENT

#### §§ 300o to 300o-3. Repealed. Pub. L. 96-79, title II, § 202(a), Oct. 4, 1979, 93 Stat. 632

Sections 300o to 300o-3, act July 1, 1944, ch. 373, title XVI, §§1601-1604, as added Jan. 4, 1975, Pub. L. 93-641, §4, 88 Stat. 2258-2260; amended Aug. 1, 1977, Pub. L. 95-83, title I, §106(r)-(v), 91 Stat. 385, were repealed by Pub. L. 96-79, title II, §202(a), Oct. 4, 1979, 93 Stat. 632.

Section 300o related to statement of purpose.

Section 300o-1 provided for promulgation of regulations and required provisions.

Section 300o-2 related to State medical facilities plans, submission and approval of plans as prerequisite for approval of project assistance applications, required provisions, and procedure upon disapproval of plans.

Section 300o-3 provided for medical facility project applications, covering in submission of applications, required provisions, waivers, and projects subject to requirements, criteria for approval, procedure for disapproval, amendment of approved applications, and review by health systems agencies.

#### EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 1979, see section 204 of Pub. L. 96-79, set out as an Effective Date of 1979 Amendment note under section 300q of this title.

#### §§ 300p to 300p-3. Repealed. Pub. L. 96-79, title II, § 201(a), Oct. 4, 1979, 93 Stat. 630

Sections 300p to 300p-3, act July 1, 1944, ch. 373, title XVI, §§1610-1613, as added Jan. 4, 1975, Pub. L. 93-641, §4, 88 Stat. 2262-2264; amended Apr. 22, 1976, Pub. L. 94-278, title XI, §1106(b), 90 Stat. 416; Aug. 1, 1977, Pub. L. 95-83, title I, §§103(a), 106(w), 91 Stat. 383, 385, were repealed by Pub. L. 96-79, title II, §201(a), Oct. 4, 1979, 93 Stat. 632.

Section 300p related to allotments to States for health resources development.

Section 300p-1 related to payments to States for approved medical facility projects.

Section 300p-2 related to compliance provisions and withholding of payments for noncompliance.

Section 300p-3 authorized appropriations for allotments to States.

#### EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 1979, see section 204 of Pub. L. 96-79, set out as an Effective Date of 1979 Amendment note under section 300q of this title.

### PART A—LOANS AND LOAN GUARANTEES

#### AMENDMENTS

1979—Pub. L. 96-79, title II, §202(a), Oct. 4, 1979, 93 Stat. 632, repealed part A relating to purpose, State

plan, and project approval, and comprising former sections 300o to 300o-3 of this title, and redesignated former part C as part A relating to loans and loan guarantees.

#### § 300q. Loan and loan guarantee authority

##### (a) Covered projects: duration; payment of principal and interest on loans for covered projects: duration; payments for reduction of interest rate

(1) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, make loans from the fund established under section 300q-2(d) of this title to any public or nonprofit private entity for projects for—

(A) the discontinuance of unneeded hospital services or facilities,<sup>1</sup>

(B) the conversion of unneeded hospital services and facilities to needed health services and medical facilities, including outpatient medical facilities and facilities for long-term care;

(C) the renovation and modernization of medical facilities, particularly projects for the prevention or elimination of safety hazards, projects to avoid noncompliance with licensure or accreditation standards, or projects to replace obsolete facilities;

(D) the construction of new outpatient medical facilities; and

(E) the construction of new inpatient medical facilities in areas which have experienced (as determined by the Secretary) recent rapid population growth.

(2)(A) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, guarantee to—

(i) non-Federal lenders for their loans to public and nonprofit private entities for medical facilities projects described in paragraph (1), and

(ii) the Federal Financing Bank for its loans to public and nonprofit private entities for such projects,

payment of principal and interest on such loans.

(B) In the case of a guarantee of any loan to a public or nonprofit private entity under subparagraph (A)(i) which is located in an urban or rural poverty area, the Secretary may pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by not more than one half the net effective interest rate otherwise payable on such loan if the Secretary finds that without such assistance the project could not be undertaken.

##### (b) Amount of loans for medical facilities projects and such projects in urban or rural poverty areas

The principal amount of a loan directly made or guaranteed under subsection (a) of this section for a medical facilities project, when added to any other assistance provided such project under part B, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case

<sup>1</sup> So in original. The comma probably should be a semicolon.

the principal amount, when added to other assistance under part B, may cover up to 100 per centum of such costs.

**(c) Limitation on cumulative total of principal of outstanding loans**

The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed such limitations as may be specified in appropriation Acts.

**(d) Administrative assistance of Department of Housing and Urban Development**

The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this part as will promote efficiency and economy thereof.

(July 1, 1944, ch. 373, title XVI, §1601, formerly §1620, as added Pub. L. 93-641, §4, Jan. 4, 1975, 88 Stat. 2264; amended Pub. L. 94-273, §2(21), Apr. 21, 1976, 90 Stat. 376; Pub. L. 95-83, title I, §106(x)(1), Aug. 1, 1977, 91 Stat. 385; renumbered §1601 and amended Pub. L. 96-79, title II, §§201(b)(1), 203(a)(1), (2), Oct. 4, 1979, 93 Stat. 630, 635.)

PRIOR PROVISIONS

A prior section 1601 of act July 1, 1944, ch. 373, title XVI, as added Jan. 4, 1975, Pub. L. 93-641, §4, 88 Stat. 2258, was classified to section 300o of this title, prior to repeal by Pub. L. 96-79, §202(a).

AMENDMENTS

1979—Subsec. (a). Pub. L. 96-79, §§201(b)(1), 203(a)(2), added par. (1); substituted reference to section 1602(d) for 1622(d), set out in text as “section 300q-2(d) of this title”; incorporated in par. (2) former subsec. (b) provisions made applicable for period ending Sept. 30, 1982, previously covering period beginning July 1, 1974, and ending Sept. 30, 1978, extended provisions to public entities, struck out existing condition that applications for assistance under subchapter be approved under former section 300o-3 of this title, substituted in subpar. (2)(B) provision for payment of amounts sufficient to reduce by not more than one half net effective interest otherwise payable on the loan for prior provision for amounts sufficient to reduce by 3 per centum per annum net effective interest rate on the loan, and struck out provision granting contractual right of holder of a guaranteed loan to receive from the United States such interest payments.

Subsec. (b). Pub. L. 96-79, §201(b)(1), added subsec. (b) and incorporated existing provisions of subsec. (b) relating to loan guarantee authority for payment of principal and interest on loans for approved projects, their duration, and payments for reduction of interest rate in subsec. (a)(2) of this section.

1977—Subsecs. (a), (b)(1). Pub. L. 95-83 substituted “September 30, 1978” for “September 30, 1977”.

1976—Subsecs. (a), (b)(1). Pub. L. 94-273 substituted “September” for “June”.

EFFECTIVE DATE OF 1979 AMENDMENT

Section 204 of Pub. L. 96-79 provided that: “The amendments made by this title [enacting sections 300s, 300s-1, and 300s-6, amending this section and sections 201, 300q-2, 300r, 300s-1a, 300s-3, and 300s-5, and repealing sections 300o to 300o-3, 300p to 300p-3, 300q-1, and 300s of this title] shall take effect October 1, 1979, except that the amendments made by section 201(b) [amending this section and section 300q-2 of this title] respecting the payment of an interest subsidy for a loan or loan guar-

antee made under part A of title XVI of the Public Health Service Act [this part] shall apply only with respect to loans and loan guarantees made after October 1, 1979, and with respect to loans and loan guarantees made under such part before such date the Secretary shall continue to pay the interest subsidy authorized for such loans and loan guarantees before such date.”

**§ 300q-1. Repealed. Pub. L. 96-79, title II, § 203(a)(1), Oct. 4, 1979, 93 Stat. 635**

Section, act July 1, 1944, ch. 373, title XVI, §1621, as added Jan. 4, 1975, Pub. L. 93-641, §4, 88 Stat. 2265, related to allocation among States of total amount of principal, criteria, availability of unobligated amounts, and reallocations.

EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 1979, see section 204 of Pub. L. 96-79, set out as an Effective Date of 1979 Amendment note under section 300q of this title.

**§ 300q-2. General provisions**

**(a) Loan guarantees; criteria for approval; recovery of payments by United States; modification, etc., of terms and conditions; incontestability**

(1) The Secretary may not approve a loan guarantee for a project under this part unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this part.

(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this part the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this part (including terms and conditions imposed under subparagraph (D)) may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

(C) Any loan guarantee made by the Secretary under this part shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

(D) Guarantees of loans under this part shall be subject to such further terms and conditions