

1999—Subsec. (a). Pub. L. 106-65 substituted “Secretaries of the military departments” for “secretaries of the military departments”.

1996—Subsec. (a). Pub. L. 104-106, §4321(a)(8), made technical correction to Pub. L. 103-355, §3022. See 1994 Amendment note below.

Subsec. (c). Pub. L. 104-106, §804, inserted “and indirect” after “recoup the direct”.

1994—Pub. L. 103-337 renumbered section 2541 of this title as this section.

Subsec. (a). Pub. L. 103-355, §3022, as amended by Pub. L. 104-106, §4321(a)(8), inserted “rent,” after “sell,” in par. (1) and “, rent,” after “sell” in par. (2).

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-106, div. D, title XLIII, §4321(a), Feb. 10, 1996, 110 Stat. 671, provided that the amendment made by that section is effective as of Oct. 13, 1994, and as if included in Pub. L. 103-355 as enacted.

SUBCHAPTER VI—DEFENSE EXPORT LOAN GUARANTEES

Sec.

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§ 2540. Establishment of loan guarantee program

(a) **ESTABLISHMENT.**—In order to meet the national security objectives in section 2501(a) of this title, the Secretary of Defense shall establish a program under which the Secretary may issue guarantees assuring a lender against losses of principal or interest, or both principal and interest, arising out of the financing of the sale or long-term lease of defense articles, defense services, or design and construction services to a country referred to in subsection (b).

(b) **COVERED COUNTRIES.**—The authority under subsection (a) applies with respect to the following countries:

(1) A member nation of the North Atlantic Treaty Organization (NATO).

(2) A country designated as of March 31, 1995, as a major non-NATO ally pursuant to section 2350a(i)(3) of this title, as in effect on that date.

(3) A country in Central Europe that, as determined by the Secretary of State—

(A) has changed its form of national government from a nondemocratic form of government to a democratic form of government since October 1, 1989; or

(B) is in the process of changing its form of national government from a nondemocratic form of government to a democratic form of government.

(4) A noncommunist country that was a member nation of the Asia Pacific Economic Cooperation (APEC) as of October 31, 1993.

(c) **AUTHORITY SUBJECT TO PROVISIONS OF APPROPRIATIONS.**—The Secretary may guarantee a loan under this subchapter only to such extent or in such amounts as may be provided in advance in appropriations Acts.

(Added Pub. L. 104-106, div. A, title XIII, §1321(a)(1), Feb. 10, 1996, 110 Stat. 475; amended Pub. L. 108-375, div. A, title X, §1084(d)(21), Oct. 28, 2004, 118 Stat. 2062.)

PRIOR PROVISIONS

A prior section 2540, acts Aug. 10, 1956, ch. 1041, 70A Stat. 141, §2511; renumbered §2521, Nov. 5, 1990, Pub. L. 101-510, div. A, title VIII, §823(a)(2), 104 Stat. 1600; renumbered §2540, Dec. 5, 1991, Pub. L. 102-190, div. A, title VIII, §821(e)(3), 105 Stat. 1432, related to availability or issuance to reserve components of supplies, services, and facilities of armed forces, prior to repeal by Pub. L. 103-337, div. A, title XVI, §§1664(c)(2), 1691, Oct. 5, 1994, 108 Stat. 3012, 3026, effective Dec. 1, 1994. See section 18502 of this title.

Another prior section 2540 was renumbered section 2539a of this title.

AMENDMENTS

2004—Subsec. (b)(2). Pub. L. 108-375 inserted “, as in effect on that date” before period at end.

AUTHORITY TO ISSUE LOAN GUARANTEES

Pub. L. 108-287, title VIII, §8065, Aug. 5, 2004, 118 Stat. 985, provided that: “To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, for the current fiscal year and hereafter the Secretary of Defense may issue loan guarantees in support of United States defense exports not otherwise provided for: *Provided*, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed \$15,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services, and Foreign Relations of the Senate and the Committees on Appropriations, Armed Services, and International Relations [now Committee on Foreign Affairs] in the House of Representatives on the implementation of this program: *Provided further*, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10, United States Code.”

Similar provisions were contained in the following prior appropriation acts:

Pub. L. 108-87, title VIII, §8066, Sept. 30, 2003, 117 Stat. 1087.

Pub. L. 107-248, title VIII, §8067, Oct. 23, 2002, 116 Stat. 1551.

Pub. L. 107-117, div. A, title VIII, §8073, Jan. 10, 2002, 115 Stat. 2264.

Pub. L. 106-259, title VIII, §8071, Aug. 9, 2000, 114 Stat. 690.

Pub. L. 106-79, title VIII, §8075, Oct. 25, 1999, 113 Stat. 1246.

Pub. L. 105-262, title VIII, §8075, Oct. 17, 1998, 112 Stat. 2314.

Pub. L. 105-56, title VIII, §8081, Oct. 8, 1997, 111 Stat. 1237.

Pub. L. 104-208, div. A, title I, §101(b) [title VIII, §8093], Sept. 30, 1996, 110 Stat. 3009-71, 3009-107.

Pub. L. 104-61, title VIII, §8075, Dec. 1, 1995, 109 Stat. 665.

REPORT ON DEFENSE EXPORT LOAN GUARANTEE PROGRAM

Pub. L. 104-106, div. A, title XIII, §1321(b), Feb. 10, 1996, 110 Stat. 477, provided that, not later than two years after Feb. 10, 1996, the President was to submit to Congress a report on the loan guarantee program established pursuant to this section.

§ 2540a. Transferability

A guarantee issued under this subchapter shall be fully and freely transferable.