

(1) the term “administering agency” means the Agency for International Development;

(2) the term “Administrator” means the Administrator of the Agency for International Development; and

(3) the term “Bank” means the Export-Import Bank of the United States.

(Pub. L. 87-195, pt. I, § 225, as added Pub. L. 101-179, title III, § 304(a), Nov. 28, 1989, 103 Stat. 1312.)

REFERENCES IN TEXT

The Export-Import Bank Act of 1945, referred to in subsec. (a)(2), is act July 31, 1945, ch. 341, 59 Stat. 526, as amended, which is classified generally to subchapter I (§635 et seq.) of chapter 6A of Title 12, Banks and Banking. For complete classification of this Act to the Code, see Short Title note set out under section 635 of Title 12 and Tables.

CODIFICATION

Subsec. (h) of this section, which required the Administrator and the President of the Bank, every 6 months, to prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report on the amount and extension of guarantees and insurance provided by the Bank and guaranteed under this section during the preceding 6-month period, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 148 of House Document No. 103-7.

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

CONFORMING REFERENCE

Pub. L. 101-179, title III, § 304(c), Nov. 28, 1989, 103 Stat. 1314, provided that: “With respect to Poland, any reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 [Pub. L. 101-167, Nov. 21, 1989, 103 Stat. 1195], to section 224 of the Foreign Assistance Act of 1961 [22 U.S.C. 2184] shall be deemed to be a reference to section 225 of that Act [22 U.S.C. 2185] (as enacted by this section).”

§ 2186. Loan guarantees to Israel program

(a) In general

Subject to the terms and conditions of this section, during the period beginning October 1, 1992, and ending September 30, 1997, the President is authorized to issue guarantees against losses incurred in connection with loans to Israel made as a result of Israel’s extraordinary humanitarian effort to resettle and absorb immigrants into Israel from the republics of the former Soviet Union, Ethiopia and other countries. In the event that less than the full amount authorized to be issued under subsection (b) of this section is issued in such period, the authority to issue the balance of such guarantees shall be available in the fiscal year ending on September 30, 1998.

(b) Fiscal year levels

The President is authorized to issue guarantees in furtherance of the purposes of this section. Subject to subsection (d) of this section, the total principal amount of guarantees which may be issued by the President under this sec-

tion shall be up to \$10,000,000,000 which may be issued as follows:

(1) in fiscal year 1993, up to \$2,000,000,000 may be issued on October 1, 1992 or thereafter;

(2) subject to subsection (d) of this section, in fiscal years 1994 through 1997, up to \$2,000,000,000 in each fiscal year may be issued on October 1 or thereafter.

(3) If less than the full amount of guarantees authorized to be made available in a fiscal year pursuant to paragraphs (1) and (2) of this subsection is issued to Israel during that fiscal year, the authority to issue the balance of such guarantees shall extend to any subsequent fiscal year ending on or before September 30, 1998.

(4)(A) Not later than September 1 of each year during the period in which the President is authorized to issue loan guarantees under subsection (a) of this section, beginning in fiscal year 1993, the President shall notify the appropriate congressional committees in writing of his intentions regarding the exercise of that authority for the fiscal year beginning on October 1 of that year, including a statement of the total principal amount of guarantees, if any, that the President proposes to issue for that fiscal year.

(B) For purposes of this paragraph, the term “appropriate congressional committees” means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives.

(c) Use of guarantees

Guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967.

(d) Limitation on guarantee amount

The amount of authorized but unissued guarantees that the President is authorized to issue as specified in subsection (b) of this section shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the previous year for activities which the President determines are inconsistent with the objectives of this section or understandings reached between the United States Government and the Government of Israel regarding the implementation of the loan program. The President shall submit a report to Congress no later than September 30 of each fiscal year during the pendency of the program specifying the amount calculated under this subsection and that will be deducted from the amount of guarantees authorized to be issued in the next fiscal year.

(e) Fees

(1) Fees charged for the loan guarantee program under this section each year shall be an aggregate annual origination fee equal to the estimated subsidy cost of the guarantees issued under this section for that year, calculated by the Office of Management and Budget for the Federal Credit Reform Act of 1990 [2 U.S.C. 661 et seq.]. This shall also include an amount for the administrative expenses of the Agency for Inter-

national Development in administering the program under this section. All such fees shall be paid by the Government of Israel to the Government of the United States. Funds made available for Israel under part 4 of subchapter II of this chapter, may be utilized by the Government of Israel to pay such fees to the United States Government. No further appropriations of subsidy cost are needed for the loan guarantee authorized hereunder for fiscal year 1993 and the four succeeding fiscal years.

(2) The origination fee shall be payable to the United States Government on a pro rata basis as each guarantee for each loan or increment is issued.

(f) Authority to suspend

Except as provided in subsections (l) and (m) of this section, the President shall determine the terms and conditions for issuing guarantees. If the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of the additional loan guarantees not yet issued under this section. Upon making such a determination to suspend or terminate the provision of loan guarantees, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate his determination to do so, including the basis for such suspension or termination.

(g) Procedures for suspension or termination

Any suspension or termination pursuant to subsection (f) of this section shall be in accordance with the following procedures:

(1) Upon making a determination to suspend or terminate the provision of loan guarantees, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate his determination to do so, including the basis for such suspension or termination.

(2) Such a suspension or termination shall cease to be effective if Congress enacts, within 30 days of submission, a joint resolution authorizing the assistance notwithstanding the suspension.

(3) Any such joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(4) For the purpose of expediting the consideration and enactment of joint resolutions under this subsection, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(5) In the event that the President suspends the provision of additional loan guarantees under subsection (f) of this section and Congress does not enact a joint resolution pursuant to this subsection, the provision of additional loan guarantees under the program established by this section may be resumed only if the President determines and so reports to Congress that the reasons for the suspension have been resolved or that the resumption is otherwise in the national interest.

(h) Economic context

The effective absorption of immigrants into Israel from the republics of the former Soviet Union and Ethiopia within the private sector requires large investment and economic restructuring to promote market efficiency and thereby contribute to productive employment and sustainable growth. Congress recognizes that the Government of Israel is developing an economic strategy designed to achieve these goals, and that the Government of Israel intends to adopt a comprehensive, multi-year economic strategy based on prudent macroeconomic policies and structural reforms. Congress also recognizes that these policies are being designed to reduce direct involvement of the government in the economic system and to promote private enterprise, important prerequisites for economic stability and sustainable growth.

(i) Consultations

It is the sense of the Congress that, as agreed between the two Governments and in order to further the policies specified in subsection (h) of this section, Israel and the United States should continue to engage in consultations concerning economic and financial measures, including structural and other reforms, that Israel should undertake during the pendency of this program to enable its economy to absorb and resettle immigrants and to accommodate the increased debt burden that will result from loans guaranteed pursuant to this section. It is the sense of the Congress that these consultations on economic measures should address progress and plans in the areas of budget policies, privatization, trade liberalization, financial and capital markets, labor markets, competition policy, and deregulation.

(j) Goods and services

During the pendency of the loan program authorized under this section, it is anticipated that, in the context of the economic reforms undertaken pursuant to subsections (h) and (i) of this section, Israel's increased population due to its absorption of immigrants, and the liberalization by the Government of Israel of its trade policy with the United States, the amount of United States investment goods and services purchased for use in or with respect to the country of Israel will substantially increase.

(k) Reports

The President shall report to Congress by December 31 of each fiscal year until December 31, 1999, regarding the implementation of this section.

(l) Applicability of certain sections

Section 2183 of this title shall apply to guarantees issued under subsection (a) of this section in the same manner as such section applies to guarantees issued under section 2182 of this title, except that subsections (a), (e)(1), (g), and (j) of section 2183 of this title shall not apply to such guarantees and except that, to the extent section 2183 of this title is inconsistent with the Federal Credit Reform Act of 1990 [2 U.S.C. 661 et seq.], that Act shall apply. Loans shall be guaranteed under this section without regard to sections 2181, 2182, and 2198(c) of this title. Notwith-

standing section 2183(f) of this title, the interest rate for loans guaranteed under this section may include a reasonable fee to cover the costs and fees incurred by the borrower in connection with this program or financing under this section in the event the borrower elects not to finance such costs or fees out of loan principal. Guarantees once issued hereunder shall be unconditional and fully and freely transferable.

(m) Terms and conditions

(1) Each loan guarantee issued under this section shall guarantee 100 percent of the principal and interest payable on such loans.

(2) The standard terms of any loan or increment guaranteed under this section shall be 30 years with semiannual payments of interest only over the first 10 years, and with semiannual payments of principal and interest on a level payment basis, over the last 20 years thereof, except that the guaranteed loan or any increments issued in a single transaction may include obligations having different maturities, interest rates, and payment terms if the aggregate scheduled debt service for all obligations issued in a single transaction equals the debt service for a single loan or increment of like amount having the standard terms described in this sentence. The guarantor shall not have the right to accelerate any guaranteed loan or increment or to pay any amounts in respect of the guarantees issued other than in accordance with the original payment terms of the loan. For purposes of determining the maximum principal amount of any loan or increment to be guaranteed under this section, the principal amount of each such loan or increment shall be—

(A) in the case of any loan issued on a discount basis, the original issue price (excluding any transaction costs) thereof; or

(B) in the case of any loan issue¹ on an interest-bearing basis, the stated principal amount thereof.

(Pub. L. 87-195, pt. I, § 226, as added Pub. L. 102-391, title VI, § 601, Oct. 6, 1992, 106 Stat. 1699.)

REFERENCES IN TEXT

The Federal Credit Reform Act of 1990, referred to in subsecs. (e)(1) and (l), is title V of Pub. L. 93-344 as added by Pub. L. 101-508, title XIII, § 13201(a), Nov. 5, 1990, 104 Stat. 1388-609, which is classified generally to subchapter III (§ 661 et seq.) of chapter 17A of Title 2, The Congress. For complete classification of this Act to the Code, see Short Title note set out under section 621 of Title 2 and Tables.

Section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, referred to in subsec. (g)(3), is section 601(b) of Pub. L. 94-329, title VI, June 30, 1976, 90 Stat. 765, which is not classified to the Code.

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

¹ So in original. Probably should be "issued".

SUBPART IV—OVERSEAS PRIVATE INVESTMENT CORPORATION

§ 2191. Congressional statement of purpose; creation and functions of Corporation

To mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed countries and areas, and countries in transition from nonmarket to market economies, thereby complementing the development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the "Corporation"), which shall be an agency of the United States under the policy guidance of the Secretary of State.

The Corporation, in determining whether to provide insurance, financing, or reinsurance for a project, shall especially—

(1) be guided by the economic and social development impact and benefits of such a project and the ways in which such a project complements, or is compatible with, other development assistance programs or projects of the United States or other donors;

(2) give preferential consideration to investment projects in less developed countries that have per capita incomes of \$984 or less in 1986 United States dollars, and restrict its activities with respect to investment projects in less developed countries that have per capita incomes of \$4,269 or more in 1986 United States dollars (other than countries designated as beneficiary countries under section 2702 of title 19, Ireland, and Northern Ireland); and

(3) ensure that the project is consistent with the provisions of section 2151p of this title, section 2151p-1 of this title, and section 2151q of this title relating to the environment and natural resources of, and tropical forests and endangered species in, developing countries, and consistent with the intent of regulations issued pursuant to section 2151p of this title, section 2151p-1 of this title, and section 2151q of this title.

In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

(a) to conduct financing, insurance, and reinsurance operations on a self-sustaining basis, taking into account in its financing operations the economic and financial soundness of projects;

(b) to utilize private credit and investment institutions and the Corporation's guaranty authority as the principal means of mobilizing capital investment funds;

(c) to broaden private participation and revolve its funds through selling its direct investments to private investors whenever it can appropriately do so on satisfactory terms;

(d) to conduct its insurance operations with due regard to principles of risk management including efforts to share its insurance and reinsurance risks;

(e) to the maximum degree possible consistent with its purposes—

(1) to give preferential consideration in its investment insurance, reinsurance, and guaranty activities to investment projects