

## (7) RIGHTS OF THIRD-PARTY CREDITORS.—

(A) AGAINST FEDERAL GOVERNMENT.—A third-party creditor of the obligor shall not have any right against the Federal Government with respect to any draw on a line of credit under this section.

(B) ASSIGNMENT.—An obligor may assign a line of credit under this section to—

- (i) 1 or more lenders; or
- (ii) a trustee on the behalf of such a lender.

## (8) NONSUBORDINATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a direct loan under this section shall not be subordinated to the claims of any holder of project obligations in the event of bankruptcy, insolvency, or liquidation of the obligor.

## (B) PRE-EXISTING INDENTURE.—

(i) IN GENERAL.—The Secretary shall waive the requirement of subparagraph (A) for a public agency borrower that is financing ongoing capital programs and has outstanding senior bonds under a preexisting indenture, if—

(I) the line of credit is rated in the A category or higher;

(II) the TIFIA program loan resulting from a draw on the line of credit is payable from pledged revenues not affected by project performance, such as a tax-backed revenue pledge or a system-backed pledge of project revenues; and

(III) the TIFIA program share of eligible project costs is 33 percent or less.

(ii) LIMITATION.—If the Secretary waives the nonsubordination requirement under this subparagraph—

(I) the maximum credit subsidy to be paid by the Federal Government shall be not more than 10 percent of the principal amount of the secured loan; and

(II) the obligor shall be responsible for paying the remainder of the subsidy cost.

(9) FEES.—The Secretary may establish fees at a level sufficient to cover all or a portion of the costs to the Federal Government of providing a line of credit under this section.

(10) RELATIONSHIP TO OTHER CREDIT INSTRUMENTS.—A project that receives a line of credit under this section also shall not receive a secured loan or loan guarantee under section 603 in an amount that, combined with the amount of the line of credit, exceeds 49 percent of eligible project costs.

## (c) REPAYMENT.—

(1) TERMS AND CONDITIONS.—The Secretary shall establish repayment terms and conditions for each direct loan under this section based on—

(A) the projected cash flow from project revenues and other repayment sources; and

(B) the useful life of the asset being financed.

(2) TIMING.—All repayments of principal or interest on a direct loan under this section shall be scheduled—

(A) to commence not later than 5 years after the end of the period of availability specified in subsection (b)(6); and

(B) to conclude, with full repayment of principal and interest, by the date that is 25 years after the end of the period of availability specified in subsection (b)(6).

(Added Pub. L. 105-178, title I, §1503(a), June 9, 1998, 112 Stat. 247, §184; renumbered §604 and amended Pub. L. 109-59, title I, §§1601(e), 1602(b)(4), (d), Aug. 10, 2005, 119 Stat. 1241, 1247; Pub. L. 112-141, div. A, title II, §2002, July 6, 2012, 126 Stat. 617.)

## AMENDMENTS

2012—Pub. L. 112-141 amended section generally. Prior to amendment, section related to lines of credit.

2005—Pub. L. 109-59, §1602(d), renumbered section 184 of this title as this section.

Subsec. (a)(1). Pub. L. 109-59, §1602(b)(4)(A), substituted “602” for “182”.

Subsec. (a)(3). Pub. L. 109-59, §1602(b)(4)(B), substituted “602(b)(2)(B)” for “182(b)(2)(B)”.

Subsec. (b)(2). Pub. L. 109-59, §1601(e)(1)(A), added par. (2) and struck out heading and text of former par. (2). Text read as follows:

“(A) TOTAL AMOUNT.—The total amount of the line of credit shall not exceed 33 percent of the reasonably anticipated eligible project costs.

“(B) 1-YEAR DRAWS.—The amount drawn in any 1 year shall not exceed 20 percent of the total amount of the line of credit.”

Subsec. (b)(3). Pub. L. 109-59, §1601(e)(1)(B), substituted “but not including reasonably required financing reserves” for “, any debt service reserve fund, and any other available reserve”.

Subsec. (b)(4). Pub. L. 109-59, §1601(e)(1)(C), struck out “marketable” before “United States Treasury securities” and substituted “date of execution of the line of credit agreement” for “date on which the line of credit is obligated”.

Subsec. (b)(5)(A)(i). Pub. L. 109-59, §1601(e)(1)(D), inserted “that also secure the senior project obligations” after “sources”.

Subsec. (b)(6). Pub. L. 109-59, §1601(e)(1)(E), substituted “The full amount of the line of credit, to the extent not drawn upon,” for “The line of credit”.

Subsec. (b)(10). Pub. L. 109-59, §1602(b)(4)(C), substituted “603” for “183”.

Subsec. (c)(2). Pub. L. 109-59, §1601(e)(2)(A), struck out “scheduled” before “repayments”, inserted “be scheduled to” after “shall”, and substituted “to conclude, with full repayment of principal and interest,” for “be fully repaid, with interest.”.

Subsec. (c)(3). Pub. L. 109-59, §1601(e)(2)(B), struck out heading and text of par. (3). Text read as follows: “The sources of funds for scheduled loan repayments under this section shall include tolls, user fees, or other dedicated revenue sources.”

## EFFECTIVE DATE OF 2012 AMENDMENT

Amendment by Pub. L. 112-141 effective Oct. 1, 2012, see section 3(a) of Pub. L. 112-141, set out as an Effective and Termination Dates of 2012 Amendment note under section 101 of this title.

**§ 605. Program administration**

(a) REQUIREMENT.—The Secretary shall establish a uniform system to service the Federal credit instruments made available under this chapter.

(b) FEES.—The Secretary may collect and spend fees, contingent on authority being provided in appropriations Acts, at a level that is sufficient to cover—

(1) the costs of services of expert firms retained pursuant to subsection (d); and

(2) all or a portion of the costs to the Federal Government of servicing the Federal credit instruments.

(c) SERVICER.—

(1) IN GENERAL.—The Secretary may appoint a financial entity to assist the Secretary in servicing the Federal credit instruments.

(2) DUTIES.—A servicer appointed under paragraph (1) shall act as the agent for the Secretary.

(3) FEE.—A servicer appointed under paragraph (1) shall receive a servicing fee, subject to approval by the Secretary.

(d) ASSISTANCE FROM EXPERT FIRMS.—The Secretary may retain the services of expert firms, including counsel, in the field of municipal and project finance to assist in the underwriting and servicing of Federal credit instruments.

(e) EXPEDITED PROCESSING.—The Secretary shall implement procedures and measures to economize the time and cost involved in obtaining approval and the issuance of credit assistance under this chapter.

(Added Pub. L. 105-178, title I, §1503(a), June 9, 1998, 112 Stat. 249, §185; renumbered §605 and amended Pub. L. 109-59, title I, §§1601(f), 1602(b)(5), (d), Aug. 10, 2005, 119 Stat. 1241, 1247; Pub. L. 112-141, div. A, title II, §2002, July 6, 2012, 126 Stat. 619.)

AMENDMENTS

2012—Pub. L. 112-141 amended section generally. Prior to amendment, section related to program administration, consisting of subsecs. (a) to (d).

2005—Pub. L. 109-59, §1602(d), renumbered section 185 of this title as this section.

Pub. L. 109-59, §1601(f), amended section catchline and text generally, substituting provisions relating to establishment by the Secretary of a uniform system to service the Federal credit instruments made available under this subchapter for provisions authorizing a State to identify a local servicer to assist the Secretary in servicing the Federal credit instrument made available under this subchapter.

Subsec. (a). Pub. L. 109-59, §1602(b)(5), substituted “this chapter” for “this subchapter”.

EFFECTIVE DATE OF 2012 AMENDMENT

Amendment by Pub. L. 112-141 effective Oct. 1, 2012, see section 3(a) of Pub. L. 112-141, set out as an Effective and Termination Dates of 2012 Amendment note under section 101 of this title.

§ 606. State and local permits

The provision of credit assistance under this chapter with respect to a project shall not—

(1) relieve any recipient of the assistance of any obligation to obtain any required State or local permit or approval with respect to the project;

(2) limit the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or

(3) otherwise supersede any State or local law (including any regulation) applicable to the construction or operation of the project.

(Added Pub. L. 105-178, title I, §1503(a), June 9, 1998, 112 Stat. 249, §186; renumbered §606 and amended Pub. L. 109-59, title I, §1602(b)(5), (d), Aug. 10, 2005, 119 Stat. 1247; Pub. L. 112-141, div. A, title II, §2002, July 6, 2012, 126 Stat. 620.)

AMENDMENTS

2012—Pub. L. 112-141 amended section generally. Prior to amendment, section read as follows: “The provision

of financial assistance under this chapter with respect to a project shall not—

“(1) relieve any recipient of the assistance of any obligation to obtain any required State or local permit or approval with respect to the project;

“(2) limit the right of any unit of State or local government to approve or regulate any rate of return on private equity invested in the project; or

“(3) otherwise supersede any State or local law (including any regulation) applicable to the construction or operation of the project.”

2005—Pub. L. 109-59, §1602(d), renumbered section 186 of this title as this section.

Pub. L. 109-59, §1602(b)(5), substituted “this chapter” for “this subchapter” in introductory provisions.

EFFECTIVE DATE OF 2012 AMENDMENT

Amendment by Pub. L. 112-141 effective Oct. 1, 2012, see section 3(a) of Pub. L. 112-141, set out as an Effective and Termination Dates of 2012 Amendment note under section 101 of this title.

§ 607. Regulations

The Secretary may promulgate such regulations as the Secretary determines to be appropriate to carry out this chapter

(Added Pub. L. 105-178, title I, §1503(a), June 9, 1998, 112 Stat. 249, §187; renumbered §607 and amended Pub. L. 109-59, title I, §1602(b)(5), (d), Aug. 10, 2005, 119 Stat. 1247; Pub. L. 112-141, div. A, title II, §2002, July 6, 2012, 126 Stat. 620.)

AMENDMENTS

2012—Pub. L. 112-141 amended section generally. Prior to amendment, section read as follows: “The Secretary may issue such regulations as the Secretary determines appropriate to carry out this chapter.”

2005—Pub. L. 109-59, §1602(d), renumbered section 187 of this title as this section.

Pub. L. 109-59, §1602(b)(5), substituted “this chapter” for “this subchapter”.

EFFECTIVE DATE OF 2012 AMENDMENT

Amendment by Pub. L. 112-141 effective Oct. 1, 2012, see section 3(a) of Pub. L. 112-141, set out as an Effective and Termination Dates of 2012 Amendment note under section 101 of this title.

§ 608. Funding

(a) FUNDING.—

(1) SPENDING AND BORROWING AUTHORITY.—Spending and borrowing authority for a fiscal year to enter into Federal credit instruments shall be promptly apportioned to the Secretary on a fiscal-year basis.

(2) REESTIMATES.—If the subsidy cost of a Federal credit instrument is reestimated, the cost increase or decrease of the reestimate shall be borne by, or benefit, the general fund of the Treasury, consistent with section 504(f) the Congressional Budget Act of 1974 (2 U.S.C. 661c(f)).

(3) RURAL SET-ASIDE.—

(A) IN GENERAL.—Of the total amount of funds made available to carry out this chapter for each fiscal year, not more than 10 percent shall be set aside for rural infrastructure projects.

(B) REOBLIGATION.—Any amounts set aside under subparagraph (A) that remain unobligated by June 1 of the fiscal year for which the amounts were set aside shall be available for obligation by the Secretary on