

ther. Such loans shall be limited to such Indian tribes or tribal corporations as have reasonable prospects of success in their proposed operations and as are unable to obtain sufficient credit elsewhere at reasonable rates and terms to finance the purposes authorized in sections 488 to 494 of this title.

(b) Highly fractionated land

(1) In general

Subject to paragraph (2), the Secretary of Agriculture may make and insure loans in accordance with section 1929 of title 7 to eligible purchasers of highly fractionated land pursuant to section 2204(c) of this title.

(2) Exclusion

Section 491 of this title shall not apply to trust land, restricted tribal land, or tribal corporation land that is mortgaged in accordance with paragraph (1).

(Pub. L. 91-229, §1, Apr. 11, 1970, 84 Stat. 120; Pub. L. 110-234, title V, §5501, May 22, 2008, 122 Stat. 1161; Pub. L. 110-246, §4(a), title V, §5501, June 18, 2008, 122 Stat. 1664, 1922.)

REFERENCES IN TEXT

Section 1988(c) of title 7, referred to in subsec. (a), was repealed by Pub. L. 104-127, title VII, §749(a)(1), Apr. 4, 1996, 110 Stat. 1129.

Section 1928 of title 7, referred to in subsec. (a), was amended generally by Pub. L. 104-127, title VI, §605, Apr. 4, 1996, 110 Stat. 1086, and, as so amended, no longer contains provisions relating to insurance of loans.

Tribal corporation established by the Indian Reorganization Act (25 U.S.C. 477), referred to in subsec. (a), means a tribal corporation established under act June 18, 1934, ch. 576, §17, 48 Stat. 988, which is classified to section 477 of this title.

The Indian Reorganization Act, referred to in subsec. (a), is act June 18, 1934, ch. 576, 48 Stat. 984, which is classified generally to this subchapter. For complete classification of this Act to the Code, see Short Title note set out under section 461 of this title and Tables.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Pub. L. 110-246, §5501, inserted section catchline, designated existing provisions as subsec. (a), inserted heading, and added subsec. (b).

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

§ 489. Title in trust to United States

Title to land acquired by a tribe or tribal corporation with a loan made or insured pursuant to sections 488 to 494 of this title may, with the approval of the Secretary of the Interior, be taken by the United States in trust for the tribe or tribal corporation.

(Pub. L. 91-229, §2, Apr. 11, 1970, 84 Stat. 120.)

§ 490. Tribal rights and privileges in connection with loans

A tribe or tribal corporation to which a loan is made or insured pursuant to sections 488 to 494 of this title (1) may waive in writing any immunity from suit or liability which it may possess, (2) may mortgage or otherwise hypothecate trust or restricted property if (a) authorized by its constitution or charter or by a tribal referendum, and (b) approved by the Secretary of the Interior, and (3) shall comply with rules and regulations prescribed by the Secretary of Agriculture in connection with such loans.

(Pub. L. 91-229, §3, Apr. 11, 1970, 84 Stat. 120.)

§ 491. Mortgaged property governed by State law

Trust or restricted tribal or tribal corporation property mortgaged pursuant to sections 488 to 494 of this title shall be subject to foreclosure and sale or conveyance in lieu of foreclosure, free of such trust or restrictions, in accordance with the laws of the State in which the property is located.

(Pub. L. 91-229, §4, Apr. 11, 1970, 84 Stat. 120.)

§ 492. Interest rates and taxes

Loans made or insured pursuant to sections 488 to 494 of this title will be subject to the interest rate provisions of section 307(a)(3)(B) of the Consolidated Farmers Home Administration Act of 1961, as amended [7 U.S.C. 1927(a)(3)(B)], and to the provisions of subtitle D of that Act [7 U.S.C. 1981 et seq.] except sections 340 [7 U.S.C. 1990], 341, 342 [7 U.S.C. 1013a], and 343 [7 U.S.C. 1991] thereof: *Provided*, That section 334 [7 U.S.C. 1984] thereof shall not be construed to subject to taxation any lands or interests therein while they are held by an Indian tribe or tribal corporation or by the United States in trust for such tribe or tribal corporation pursuant to sections 488 to 494 of this title.

(Pub. L. 91-229, §5, Apr. 11, 1970, 84 Stat. 120; Pub. L. 101-624, title XVIII, §1854(a), Nov. 28, 1990, 104 Stat. 3837.)

REFERENCES IN TEXT

The Consolidated Farmers Home Administration Act of 1961, referred to in text, is now the Consolidated Farm and Rural Development Act (Pub. L. 87-128, title III, Aug. 8, 1961, 75 Stat. 307, as amended). Subtitle D of the Consolidated Farm and Rural Development Act is classified principally to subchapter IV (§1981 et seq.) of chapter 50 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 1921 of Title 7 and Tables.

Section 341 of that Act is set out as a note under section 1921 of Title 7.

AMENDMENTS

1990—Pub. L. 101-624 substituted “section 307(a)(3)(B)” for “section 307(a)”.

§ 493. Reduction of unpaid principal

(a) In general

The Secretary of Agriculture may, on the application of the borrower of a loan or loans made under sections 488 to 494 of this title, reduce the unpaid principal balance of such loan or loans to the current fair market value of the land pur-