

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 (a), was repealed by Pub.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 L. 110-234 were repealed by section 4(a) of Pub.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-

chased with the proceeds of the loan or loans if—

- (1) the fair market value of the land has declined by at least 25 percent since such land was purchased by the borrower;
- (2) the land has been held by the borrower for a period of at least 5 years; and
- (3) the Secretary of the Interior finds that the borrower has insufficient income to both repay the loan or loans and provide normal tribal governmental services.

**(b) Fair market value**

**(1) Appraisal**

Current fair market value under subsection (a) of this section shall be determined through an appraisal by an independent qualified fee appraiser, selected by mutual agreement between the borrower and the Secretary of Agriculture.

**(2) Costs**

The cost of appraisals undertaken under paragraph (1) shall be paid by the borrower.

**(c) Appeals**

Decisions of the Secretary of Agriculture under this section shall be appealable in accordance with the provisions of section 333B<sup>1</sup> of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b).

**(d) Future applications**

A borrower that had a loan or loans reduced under this section shall not submit an application for another reduction on such loan or loans for a period of 5 years after the initial reduction.

(Pub. L. 91-229, § 6, as added Pub. L. 101-82, title III, § 303, Aug. 14, 1989, 103 Stat. 583.)

REFERENCES IN TEXT

Section 333B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b), referred to in subsec. (c), was repealed by Pub. L. 103-354, title II, § 281(c), Oct. 13, 1994, 108 Stat. 3233.

CODIFICATION

Another section 6 of Pub. L. 91-229 was added by Pub. L. 101-624, title XVIII, § 1854(b), Nov. 28, 1990, 104 Stat. 3837, and is classified to section 494 of this title.

**§ 494. Authorization of appropriations**

There are authorized to be appropriated to carry out sections 488 to 494 of this title \$8,000,000 for each of the fiscal years 1991 through 1995.

(Pub. L. 91-229, § 6, as added Pub. L. 101-624, title XVIII, § 1854(b), Nov. 28, 1990, 104 Stat. 3837.)

CODIFICATION

Another section 6 of Pub. L. 91-229 was added by Pub. L. 101-82, title III, § 303, Aug. 14, 1989, 103 Stat. 583, and is classified to section 493 of this title.

**§ 494a. Certification of rental proceeds**

Notwithstanding any other provision of law, any actual rental proceeds from the lease of land acquired under section 488 of this title certified by the Secretary of the Interior shall be deemed—

(1) to constitute the rental value of that land; and

(2) to satisfy the requirement for appraisal of that land.

(Pub. L. 109-221, title II, § 203, May 12, 2006, 120 Stat. 341.)

SUBCHAPTER VI—INDIANS OF ALASKA

**§ 495. Annette Islands reserved for Metlakatla Indians**

Until otherwise provided by law the body of lands known as Annette Islands, situated in Alexander Archipelago in southeastern Alaska on the north side of Dixon's entrance, is set apart as a reservation for the use of the Metlakatla Indians, and those people known as Metlakatlangs who, on March 3, 1891, had recently emigrated from British Columbia to Alaska, and such other Alaskan natives as may join them, to be held and used by them in common, under such rules and regulations, and subject to such restrictions, as may be prescribed from time to time by the Secretary of the Interior.

(Mar. 3, 1891, ch. 561, § 15, 26 Stat. 1101.)

CODIFICATION

Section was formerly classified to section 358 of Title 48, Territories and Insular Possessions.

**§§ 496, 497. Repealed. Pub. L. 94-579, title VII, § 704(a), Oct. 21, 1976, 90 Stat. 2792**

Section 496, act May 1, 1936, ch. 254, § 2, 49 Stat. 1250, authorized Secretary of the Interior to designate as an Indian reservation any area of land which has been reserved for use and occupancy of Indians or Eskimos under sections 280a or 495 of this title, executive order, etc. Section was formerly classified to section 358a of Title 48, Territories and Insular Possessions.

Section 497, act May 31, 1938, ch. 304, 52 Stat. 593, authorized Secretary of the Interior to reserve tracts for schools, hospitals, etc., in Alaska for Indians, Eskimos, and Aleuts. Section was formerly classified to section 353a of Title 48.

EFFECTIVE DATE OF REPEAL

Pub. L. 94-579, title VII, § 704(a), Oct. 21, 1976, 90 Stat. 2792, provided that the repeal is effective on and after Oct. 21, 1976.

SAVINGS PROVISION

Repeal by Pub. L. 94-579 not to be construed as terminating any valid lease, permit, patent, etc., existing on Oct. 21, 1976, see section 701 of Pub. L. 94-579, set out as a note under section 1701 of Title 43, Public Lands.

SUBCHAPTER VII—REINDEER INDUSTRY

**§ 500. Purpose**

A necessity for providing means of subsistence for the Eskimos and other natives of Alaska is hereby declared to exist. It is also declared to be the policy of Congress, and the purpose of this subchapter, to establish and maintain for the said natives of Alaska a self-sustaining economy by acquiring and organizing for and on behalf of said natives a reindeer industry or business, by encouraging and developing native activity and responsibility in all branches of the said industry or business, and by preserving the native character of the said industry or business thus established.

<sup>1</sup> See References in Text note below.