

§ 3507(a)(1)(C), (F), into this section by inserting “or Administrator” after “Secretary” wherever appearing and “or Administrator’s” after “Secretary’s” in subsec. (c). See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109-163, § 3507(a)(1)(C), (F), which directed the amendment of sections 1273(e) and 1275(a) of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, § 3522(b). See 2008 Amendment notes and Historical and Revision notes above.

§ 53722. Actions by Secretary or Administrator

(a) GENERAL AUTHORITY.—On default under an obligation or related agreement between the Secretary or Administrator and the obligor, the Secretary or Administrator, on terms that may be provided in the obligation or agreement, may—

(1) assume the obligor’s rights and duties under the obligation or agreement, make any payment in default, and notify the obligee or the obligee’s agent of the default and the Secretary’s or Administrator’s assumption; or

(2) notify the obligee or the obligee’s agent of the default.

(b) DEMANDS BY OBLIGEEES.—

(1) DEMAND.—If the Secretary or Administrator proceeds under subsection (a)(2), the obligee or the obligee’s agent may demand that the Secretary or Administrator pay the unpaid principal amount of the obligation and the unpaid interest on the obligation. The demand must be made within the earlier of—

(A) a period that may be specified in the guarantee or a related agreement; or

(B) 60 days from the date of the Secretary’s or Administrator’s notice.

(2) PAYMENT.—If a demand is made under paragraph (1), the Secretary or Administrator shall pay to the obligee or the obligee’s agent the unpaid principal amount of the obligation and the unpaid interest on the obligation to the date of payment. Payment shall be made within the earlier of—

(A) a period that may be specified in the guarantee or a related agreement; or

(B) 30 days from the date of the demand.

(c) CONTINUED EFFECT OF GUARANTEE.—A guarantee of an obligation remains in effect after an assumption of the obligation by the Secretary or Administrator.

(d) ADDITIONAL RESPONSES.—If there is a default on an obligation, the Secretary or Administrator shall conduct operations under this chapter in a manner that—

(1) maximizes the net present value return from the sale or disposition of assets associated with the obligation, including prompt referral to the Attorney General for collection as appropriate;

(2) minimizes the amount of any loss realized in the resolution of the guarantee;

(3) ensures adequate competition and fair and consistent treatment of offerors; and

(4) requires appraisal of assets by an independent appraiser.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1618; Pub. L. 109-163, div. C, title XXXV, § 3507(a)(1)(C),

(F), Jan. 6, 2006, 119 Stat. 3555; Pub. L. 110-181, div. C, title XXXV, § 3522(a)(10)(B), (11), (b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53722(a), (b)	46 App.:1275(b).	June 29, 1936, ch. 858, title XI, § 1105(b), as added June 23, 1938, ch. 600, § 46, 52 Stat. 971; Aug. 15, 1953, ch. 513, § 3, 67 Stat. 626; Sept. 3, 1954, ch. 1265, § 5, 68 Stat. 1272; Aug. 7, 1956, ch. 1026, § 1(e)-(g), 70 Stat. 1087; Pub. L. 85-520, July 15, 1958, 72 Stat. 358; Pub. L. 91-469, § 33, Oct. 21, 1970, 84 Stat. 1035; restated Pub. L. 92-507, § 3, Oct. 19, 1972, 86 Stat. 914; Pub. L. 97-31, § 12(136), Aug. 6, 1981, 95 Stat. 166; Pub. L. 98-595, § 1(9), Oct. 30, 1984, 98 Stat. 3131.
53722(c)	46 App.:1273(e) (last sentence).	June 29, 1936, ch. 858, title XI, § 1103(e) (last sentence), as added Pub. L. 98-595, § 1(1), Oct. 30, 1984, 98 Stat. 3130.
53722(d)	46 App.:1275(f).	June 29, 1936, ch. 858, title XI, § 1105(f), as added Pub. L. 108-136, title XXXV, § 3524, Nov. 24, 2003, 117 Stat. 1801.

In subsection (a), before paragraph (1), the words “an obligation or related agreement” are substituted for “a mortgage, loan agreement, or other security agreement” for consistency in the revised chapter.

AMENDMENTS

2008—Pub. L. 110-181, § 3522(b), repealed Pub. L. 109-163, § 3507(a)(1)(C), (F). See 2006 Amendment note below.

Pub. L. 110-181, 3522(a)(10)(B), (11), incorporated the substance of the amendment by Pub. L. 109-163, § 3507(a)(1)(C), (F), into this section by inserting “or Administrator” after “Secretary” in section catchline and wherever appearing in subsecs. (a) to (c) and “or Administrator’s” after “Secretary’s” in subsecs. (a)(1) and (b)(1)(B). See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

Subsec. (d). Pub. L. 110-181, § 3522(a)(10)(B), inserted “or Administrator” after “Secretary” in introductory provisions.

2006—Pub. L. 109-163, § 3507(a)(1)(C), (F), which directed the amendment of sections 1273(e) and 1275(b) of the former Appendix to this title from which this section was derived in part, was repealed by Pub. L. 110-181, § 3522(b). See 2008 Amendment notes and Historical and Revision notes above.

§ 53723. Payments by Secretary or Administrator and issuance of obligations

(a) CASH PAYMENT.—Amounts required to be paid by the Secretary or Administrator under section 53721 or 53722 of this title shall be paid in cash.

(b) ISSUANCE OF OBLIGATIONS.—If amounts in the appropriate account under section 53717 of this title are not sufficient to make a payment required under section 53721 or 53722 of this title, the Secretary or Administrator may issue obligations to the Secretary of the Treasury. The Secretary or Administrator, with the approval of the Secretary of the Treasury, shall prescribe the form, denomination, maturity, and other terms (except the interest rate) of the obligations. The Secretary of the Treasury shall set the interest rate for the obligations, considering