

1994—Subsecs. (a), (b)(4)(B). Pub. L. 103-354 substituted “Secretary” for “Administrator”.

1993—Subsec. (a)(2). Pub. L. 103-129, §2(a)(2)(A), substituted “acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service” for “purposes of financing, or refinancing, the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, or systems, in order to improve the efficiency, effectiveness, or financial stability of borrowers financed under section 922 of this title and this section”.

Subsec. (b)(4). Pub. L. 103-129, §2(a)(2)(B)(i), added par. (4) and struck out former par. (4) which related to adequacy of security and capacity for repayment of loans made under this section.

Subsec. (b)(8)(A). Pub. L. 103-129, §2(a)(2)(B)(ii), designated existing provisions as subpar. (A), substituted “except for any prepayment penalty provided for in a loan agreement entered into before November 1, 1993” for “if such prepayment is not made later than September 30, 1988”, and added subpar. (B).

Subsec. (b)(9), (10). Pub. L. 103-129, §2(a)(2)(B)(iii), added pars. (9) and (10).

Subsec. (e). Pub. L. 103-129, §2(a)(2)(C), added subsec. (e).

1990—Subsec. (a). Pub. L. 101-624, §2365, substituted “shall make loans on behalf of the telephone bank, to the extent that there are qualifying applications therefor, subject only to limitations as to amounts authorized for loans and advances as may be imposed by law enacted by the Congress of the United States for loans to be made in any one year, and” for “is authorized on behalf of the telephone bank to make loans.”.

Subsec. (b)(3)(B). Pub. L. 101-624, §2367(b)(1), substituted “the date of enactment of this subparagraph” for “the date of enactment of this paragraph” in the original text before “advances”, which was translated as “December 22, 1987”, requiring no change in text.

Subsec. (b)(3)(D)(ii). Pub. L. 101-624, §2367(b)(2), inserted “For purposes of the calculation under this subparagraph, such rate shall be zero.”

Subsec. (b)(3)(E). Pub. L. 101-624, §2367(b)(3), substituted “paragraph” for “subparagraph” after “of this”.

Subsec. (d). Pub. L. 101-624, §2366, added subsec. (d).

1987—Subsec. (b)(3). Pub. L. 100-203, §1411(c), designated existing provisions as subpar. (A) and added subpars. (B) to (J).

Subsec. (b)(4). Pub. L. 100-203, §1412, inserted at end “For purposes of determining the creditworthiness of a borrower for a loan under this paragraph, the Governor shall assume that the loan, if made, would bear interest at a rate equal to the average yield (on the date of the determination) on outstanding marketable obligations of the United States having a final maturity comparable to the final maturity of the loan.”

Subsec. (b)(8). Pub. L. 100-203, §1411(b)(1), added par. (8).

1973—Subsec. (a). Pub. L. 93-32, §8, inserted “or which have been certified by the Administrator to be eligible for such a loan or loan commitments,” preceding cl. (1) and inserted provision that loans and advances not be included in the totals of the budget of the United States Government and that such loans and advances be exempt from any general limitation imposed by statute expenditures and net lending (budget outlays) of the United States.

Subsec. (b)(3). Pub. L. 93-32, §9, substituted provisions for a “cost of money rate” of interest with a “not less than 5 per centum per annum” limit on such rate, for provisions for interest “at the highest rate which meets the requirements set forth in paragraph (4), consistent with the borrower’s ability to pay such interest rate and with achievement of the objectives of this chapter” with a “not less than 4 per centum per annum” limit on such rate.

EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by section 2367(b) of Pub. L. 101-624 effective as if included in chapter 2 [§§1411-1414] of subtitle D of title I of the Omnibus Budget Reconciliation Act of 1987, Pub. L. 100-203, see section 2368(b) of Pub. L. 101-624, set out as a note under section 946 of this title.

EFFECTIVE DATE OF 1973 AMENDMENT

Amendment by Pub. L. 93-32 effective May 11, 1973, see section 12 of Pub. L. 93-32, set out as an Effective Date note under section 930 of this title.

EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

CONGRESSIONAL FINDINGS COVERING INTEREST RATES AND LOAN PREPAYMENTS

Pub. L. 100-203, title I, §1411(a), Dec. 22, 1987, 101 Stat. 1330-22, provided that: “Congress finds that—

“(1) overcharging of Rural Telephone Bank borrowers has resulted in \$179,000,000 in excess profits and has imperiled borrowers by raising costs to ratepayers;

“(2) borrowers will be able to seek redress under section 408(b)(3)(G) of the Rural Electrification Act of 1936 [subsec. (b)(3)(G) of this section], as added by subsection (c), or may leave the Rural Telephone Bank, but in no case may the Governor of the Bank issue regulations requiring any penalty from borrowers seeking to retire debt prior to maturity; and

“(3) any reduction in Federal Government expenditures in the operation of the Rural Telephone Bank, from borrowers’ conduct resulting from the implementation of the amendments made by subsections (b) and (c) [amending this section], should be included in all calculations of the budget of the United States Government, authorized under the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 [title I of Pub. L. 100-119, see Short Title of 1987 Amendment note set out under section 900 of Title 2, The Congress].”

PREPAYMENT REGULATIONS

Pub. L. 100-203, title I, §1411(b)(2), Dec. 22, 1987, 101 Stat. 1330-23, provided that: “The Governor of the Rural Telephone Bank shall issue regulations to carry out the amendment made by paragraph (1) [amending this section] within 30 days after the date of enactment of this Act [Dec. 22, 1987]. Such regulations shall implement the amendment made by paragraph (1) without the addition of any restrictions not set forth in such amendment.”

§ 949. Telephone bank receipts; availability for obligations and expenditures

Any receipts from the activities of the telephone bank shall be available for all obligations and expenditures of the telephone bank.

(May 20, 1936, ch. 432, title IV, §409, as added Pub. L. 92-12, §2, May 7, 1971, 85 Stat. 36.)

EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

§ 950. Conversion of ownership, control, and operation of telephone bank

(a) Transfer of powers and authority from Secretary of Agriculture to Telephone Bank Board; cessation of Presidential appointees as Board members and reduction in number of Board members; status of telephone bank

Whenever fifty-one per centum of the maximum amount of class A stock issued to the