

CONSTRUCTION OF 1991 AMENDMENT

Pub. L. 102-552, title V, §516(f)(2), Oct. 28, 1992, 106 Stat. 4138, provided that: "Subsection (b) of section 501 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 105 Stat. 1866) [amending this section] is repealed. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) shall be applied and administered as if such subsection had never become law."

§ 1943. Limitations on amount of operating loans**(a) In general**

The Secretary shall make or insure no loan under this subchapter—

(1) that would cause the total principal indebtedness outstanding at any one time for loans made under this subchapter to any one borrower to exceed, in the case of a loan other than a loan guaranteed by the Secretary, \$300,000, or, in the case of a loan guaranteed by the Secretary, \$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the unpaid indebtedness of the borrower on loans under the sections specified in section 1925 of this title that are guaranteed by the Secretary); or

(2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program.

(b) Inflation percentage

For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

(1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department of Agriculture) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

(2) the average of such index (as so defined) for the 12-month period ending on August 31, 1996.

(Pub. L. 87-128, title III, §313, Aug. 8, 1961, 75 Stat. 310; Pub. L. 90-488, §9, Aug. 15, 1968, 82 Stat. 771; Pub. L. 92-419, title I, §122, Aug. 30, 1972, 86 Stat. 665; Pub. L. 95-334, title I, §116, Aug. 4, 1978, 92 Stat. 426; Pub. L. 98-258, title VI, §604(a), Apr. 10, 1984, 98 Stat. 139; Pub. L. 105-277, div. A, §101(a) [title VIII, §806(b)], Oct. 21, 1998, 112 Stat. 2681, 2681-39; Pub. L. 110-234, title V, §5102, May 22, 2008, 122 Stat. 1146; Pub. L. 110-246, §4(a), title V, §5102, June 18, 2008, 122 Stat. 1664, 1908.)

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 L. 110-234 were repealed by section 4(a) of Pub.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—Subsec. (a)(1). Pub. L. 110-246, §5102, substituted "\$300,000" for "\$200,000".

1998—Pub. L. 105-277 inserted section catchline, designated existing provisions as subsec. (a), inserted heading, substituted "this subchapter—" for "this subchapter", in introductory provisions, realigned margin of par. (1) and substituted "\$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guar-

anteed and reduced by the unpaid indebtedness of the borrower on loans under the sections specified in section 1925 of this title that are guaranteed by the Secretary); or" for "\$400,000; or", realigned margin of par. (2), and added subsec. (b).

1984—Pub. L. 98-258 substituted "\$200,000" and "\$400,000" for "\$100,000" and "\$200,000", respectively.

1978—Pub. L. 95-334 substituted provisions setting forth criteria for Secretary to make or insure loans under this subchapter for provisions setting forth criteria for Secretary to make loans under this subchapter.

1972—Pub. L. 92-419 substituted "\$50,000" for "\$35,000".

1968—Pub. L. 90-488 struck out from item (1) the proviso which limited the amount to be used for loans which would cause the indebtedness of any borrower to exceed \$15,000 to 25 per centum of the sums made available for loans.

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 this title.

§ 1944. Soil conservation district loans; limitation; purchase of conservation equipment

Loans aggregating not more than \$500,000 in any one year may also be made to soil conservation districts which cannot obtain necessary credit elsewhere upon reasonable terms and conditions for the purchase of equipment customarily used for soil conservation purposes.

(Pub. L. 87-128, title III, §314, Aug. 8, 1961, 75 Stat. 311.)

§ 1945. Repealed. Pub. L. 104-127, title VI, §613, Apr. 4, 1996, 110 Stat. 1089

Section, Pub. L. 87-128, title III, §315, Aug. 8, 1961, 75 Stat. 311, authorized Secretary to participate in certain loans made under this subchapter.

§ 1946. Liability of borrower**(a) Determination of interest rates**

(1) The Secretary shall make all loans under this subchapter upon the full personal liability of the borrower and upon such security as the Secretary may prescribe. The interest rates on such loans, except for guaranteed loans and loans as provided in paragraphs (2) and (3),¹ shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus an additional charge not to exceed 1 per centum as determined by the Secretary, which charge shall be deposited in the Rural Development Insurance Fund or the Agricultural Credit Insurance Fund, as appropriate, and adjusted to the nearest one-eighth of 1 per centum. The interest rate on any guaranteed loan made under this subchapter shall be such rate as may be agreed upon by the borrower and lender, but not in excess of a rate as may be determined by the Secretary.

(2) The interest rate on any loan (other than a guaranteed loan) to a low income, limited re-

¹ See References in Text note below.