

(5) Effect of preferred lender certification

Notwithstanding any other provision of law, the Secretary may—

(A) guarantee not more than 80 percent of any approved loan made by a preferred certified lender as described in this subsection, if the borrower meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary; and

(B) permit preferred certified lenders to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to creditworthiness, the closing, monitoring, collection, and liquidation of loans, and to accept appropriate certifications, as provided in regulations issued by the Secretary, that the borrower is in compliance with all requirements of law and regulations issued by the Secretary.

(Pub. L. 87-128, title III, §364, as added Pub. L. 104-127, title VII, §752, Apr. 4, 1996, 110 Stat. 1129.)

PRIOR PROVISIONS

A prior section 2006f, Pub. L. 87-128, title III, §364, as added Pub. L. 101-624, title XXIII, §2302(a)(1), Nov. 28, 1990, 104 Stat. 3979; amended Pub. L. 102-237, title VII, §701(d), Dec. 13, 1991, 105 Stat. 1879; Pub. L. 103-129, §4, Nov. 1, 1993, 107 Stat. 1366, established Rural Development Administration in Department of Agriculture and provided for the performance of specified functions, prior to repeal by Pub. L. 103-354, title II, §231(f)(3), Oct. 13, 1994, 108 Stat. 3219. See section 6911 et seq. of this title.

§§ 2007 to 2007e. Repealed. Pub. L. 104-127, title VII, § 701, Apr. 4, 1996, 110 Stat. 1108

Section 2007, Pub. L. 101-624, title XXIII, §2310, Nov. 28, 1990, 104 Stat. 3982, related to general provisions for programs under former sections 2007a to 2007e and 2008 to 2008c of this title, including applications, selection of States, duration of projects, and effective dates.

Section 2007a, Pub. L. 101-624, title XXIII, §2311, Nov. 28, 1990, 104 Stat. 3982; Pub. L. 102-237, title VII, §702(b), Dec. 13, 1991, 105 Stat. 1880, defined terms for purposes of former sections 2007a to 2007e of this title.

Section 2007b, Pub. L. 101-624, title XXIII, §2312, Nov. 28, 1990, 104 Stat. 3984, related to establishment and powers of Rural Partnerships Investment Board.

Section 2007c, Pub. L. 101-624, title XXIII, §2313, Nov. 28, 1990, 104 Stat. 3986; Pub. L. 102-237, title VII, §702(c), Dec. 13, 1991, 105 Stat. 1880, established Rural Business Investment Fund.

Section 2007d, Pub. L. 101-624, title XXIII, §2314, Nov. 28, 1990, 104 Stat. 3991; Pub. L. 102-237, title VII, §702(d), Dec. 13, 1991, 105 Stat. 1880, related to establishment of local revolving funds.

Section 2007e, Pub. L. 101-624, title XXIII, §2315, Nov. 28, 1990, 104 Stat. 3994; Pub. L. 102-237, title VII, §702(e), Dec. 13, 1991, 105 Stat. 1880, related to compliance with and enforcement of former sections 2007a to 2007e of this title and regulations promulgated thereunder.

§ 2008. Rural development and farm loan program activities

The Secretary may not complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary, including support personnel of the Department of Agriculture, relating to rural development or farm loan programs.

(Pub. L. 87-128, title III, §365, as added Pub. L. 110-234, title V, §5306, May 22, 2008, 122 Stat. 1153, and Pub. L. 110-246, §4(a), title V, §5306, June 18, 2008, 122 Stat. 1664, 1915.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

PRIOR PROVISIONS

A prior section 2008, Pub. L. 87-128, title III, §365, as added Pub. L. 101-624, title XXIII, §2316(a), Nov. 28, 1990, 104 Stat. 4000; amended Pub. L. 102-237, title VII, §701(e), Dec. 13, 1991, 105 Stat. 1879, related to system for delivery of certain rural development programs, prior to repeal by Pub. L. 104-127, title VII, §753(a), Apr. 4, 1996, 110 Stat. 1131.

EFFECTIVE DATE

Enactment 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 a note under section 8701 of this title.

§§ 2008a to 2008c. Repealed. Pub. L. 104-127, title VII, §§ 754-756, Apr. 4, 1996, 110 Stat. 1131

Section 2008a, Pub. L. 87-128, title III, §366, as added Pub. L. 101-624, title XXIII, §2316(a), Nov. 28, 1990, 104 Stat. 4004; amended Pub. L. 102-237, title VII, §701(f), Dec. 13, 1991, 105 Stat. 1879, related to State rural economic development review panel.

Section 2008b, Pub. L. 87-128, title III, §367, as added Pub. L. 101-624, title XXIII, §2317, Nov. 28, 1990, 104 Stat. 4008; amended Pub. L. 102-237, title VII, §701(g), Dec. 13, 1991, 105 Stat. 1879, related to limited transfer authority of loan amounts.

Section 2008c, Pub. L. 87-128, title III, §368, as added Pub. L. 101-624, title XXIII, §2317, Nov. 28, 1990, 104 Stat. 4009, related to allocation and transfer of loan guarantee authority.

§ 2008d. Recordkeeping of loans by borrower's gender

The Secretary shall classify, by gender, records of applicants for loans and loan guarantees under this chapter.

(Pub. L. 87-128, title III, §369, as added Pub. L. 102-554, §21(c), Oct. 28, 1992, 106 Stat. 4161.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

§ 2008e. Prohibition under rural development programs**(a) Prohibition**

Assistance under any rural development program administered by the Rural Development Administration, the Farmers Home Administration, the Rural Electrification Administration, or any other agency of the Department of Agriculture shall not be conditioned on any requirement that the recipient of such assistance accept or receive electric service from any particular utility, supplier, or cooperative.

(b) Ensuring compliance

The Secretary shall establish, by regulation, adequate safeguards to ensure that assistance under such rural development programs is not subject to such a condition. Such safeguards

shall include periodic certifications and audits, and appropriate measures and sanctions against any person violating, or attempting to violate, the prohibition in subsection (a) of this section.

(c) Regulations

Not later than 6 months after November 1, 1993, the Secretary shall issue interim final regulations to ensure compliance with subsection (a) of this section.

(Pub. L. 87-128, title III, §370, as added Pub. L. 103-129, §5, Nov. 1, 1993, 107 Stat. 1366.)

§ 2008f. Crop insurance requirement

(a) In general

As a condition of obtaining any benefit (including a direct loan, loan guarantee, or payment) described in subsection (b) of this section, a borrower must obtain at least catastrophic risk protection insurance coverage under section 1508 of this title for the crop and crop year for which the benefit is sought, if the coverage is offered by the Corporation.

(b) Applicable benefits

Subsection (a) of this section shall apply to—

- (1) a farm ownership loan (FO) under section 1923 of this title;
- (2) an operating loan (OL) under section 1942 of this title; and
- (3) an emergency loan (EM) under section 1961 of this title.

(Pub. L. 87-128, title III, §371, as added Pub. L. 103-354, title I, §119(b), Oct. 13, 1994, 108 Stat. 3208.)

EFFECTIVE DATE

Section effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as an Effective Date of 1994 Amendment note under section 1502 of this title.

§ 2008g. Payment of interest as condition of loan servicing for borrowers

The Secretary may not reschedule or reamortize a loan for a borrower under this chapter who has not requested consideration under section 1981d(e) of this title unless the borrower pays a portion, as determined by the Secretary, of the interest due on the loan.

(Pub. L. 87-128, title III, §372, as added Pub. L. 104-127, title VI, §648(a), Apr. 4, 1996, 110 Stat. 1104.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

EFFECTIVE DATE

Section effective 90 days after Apr. 4, 1996, see section 663(b) of Pub. L. 104-127, set out as an Effective Date of 1996 Amendment note under section 1922 of this title.

§ 2008h. Loan and loan servicing limitations

(a) Delinquent borrowers prohibited from obtaining direct operating loans

The Secretary may not make a direct operating loan under subchapter II of this chapter to a

borrower who is delinquent on any loan made or guaranteed under this chapter.

(b) Prohibition of loans for borrowers that have received debt forgiveness

(1) Prohibitions

Except as provided in paragraph (2)—

(A) the Secretary may not make a loan under this chapter to a borrower that has received debt forgiveness on a loan made or guaranteed under this chapter; and

(B) the Secretary may not guarantee a loan under this chapter to a borrower that has received—

- (i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this chapter; or
- (ii) received debt forgiveness on more than 3 occasions on or before April 4, 1996.

(2) Exceptions

(A) In general

The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower who—

- (i) was restructured with a write-down under section 2001 of this title;
- (ii) is current on payments under a confirmed reorganization plan under chapters¹ 11, 12, or 13 of title 11; or
- (iii) received debt forgiveness on not more than 1 occasion resulting directly and primarily from a major disaster or emergency designated by the President on or after April 4, 1996, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) Emergency loans

The Secretary may make an emergency loan under section 1961 of this title to a borrower that—

- (i) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this chapter; and
- (ii) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this chapter.

(c) No more than 1 debt forgiveness for borrower on direct loan

The Secretary may not provide to a borrower debt forgiveness on a direct loan made under this chapter if the borrower has received debt forgiveness on another direct loan made under this chapter.

(Pub. L. 87-128, title III, §373, as added Pub. L. 104-127, title VI, §648(b), Apr. 4, 1996, 110 Stat. 1104; amended Pub. L. 105-277, div. A, §101(a) [title VIII, §801], Oct. 21, 1998, 112 Stat. 2681, 2681-37; Pub. L. 107-171, title V, §5319, May 13, 2002, 116 Stat. 348.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec.

¹ So in original. Probably should be “chapter”.