

(Pub. L. 87-128, title III, §384E, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 393.)

§ 2009cc-5. Issuance and guarantee of trust certificates

(a) Issuance

The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a rural business investment company and guaranteed by the Secretary under this subchapter, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

(b) Guarantee

(1) In general

The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this section.

(2) Limitation

Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

(3) Prepayment or default

(A) In general

(i) Authority to prepay

A debenture may be prepaid at any time without penalty.

(ii) Reduction of guarantee

Subject to clause (i), if a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest the prepaid debenture represents in the trust or pool.

(B) Interest

Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

(C) Redemption

At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

(c) Full faith and credit of the United States

Section 2009g(i) of this title shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

(d) Subrogation and ownership rights

(1) Subrogation

If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

(2) Ownership rights

No Federal, State, or local law shall preclude or limit the exercise by the Secretary of

the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this section.

(e) Management and administration

(1) Registration

The Secretary shall provide for a central registration of all trust certificates issued under this section.

(2) Creation of pools

The Secretary may—

(A) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subchapter; and

(B) issue trust certificates to facilitate the creation of those trusts or pools.

(3) Fidelity bond or insurance requirement

Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

(4) Regulation of brokers and dealers

The Secretary may regulate brokers and dealers in trust certificates issued under this section.

(5) Electronic registration

Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

(Pub. L. 87-128, title III, §384F, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 393; amended Pub. L. 110-234, title VI, §6027(a), May 22, 2008, 122 Stat. 1182; Pub. L. 110-246, §4(a), title VI, §6027(a), June 18, 2008, 122 Stat. 1664, 1943.)

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. (b)(3)(A). Pub. L. 110-246, §6027(a), added cl. (i), designated existing provisions as cl. (ii), inserted heading, and substituted “Subject to clause (i), if” for “In the event”.

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.

§ 2009cc-6. Fees

(a) In general

The Secretary may charge a fee that does not exceed \$500 with respect to any guarantee or grant issued under this subchapter.

(b) Trust certificate

Notwithstanding subsection (a) of this section, the Secretary shall not collect a fee for any