

(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

guarantee of a trust certificate under section 2009cc-5 of this title, except that any agent of the Secretary may collect a fee that does not exceed \$500 for the functions described in section 2009cc-5(e)(2) of this title.

**(c) License**

**(1) In general**

Except as provided in paragraph (3), the Secretary may prescribe fees to be paid by each applicant for a license to operate as a rural business investment company under this subchapter.

**(2) Use of amounts**

Fees collected under this subsection—

(A) shall be deposited in the account for salaries and expenses of the Secretary;

(B) are authorized to be appropriated solely to cover the costs of licensing examinations; and

(C) shall not exceed \$500 for any fee collected under this subsection.

**(3) Prohibition on collection of certain fees**

In the case of a license described in paragraph (1) that was approved before July 1, 2007, the Secretary shall not collect any fees due on or after the date of enactment of this paragraph.

(Pub. L. 87-128, title III, §384G, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 395; amended Pub. L. 110-234, title VI, §6027(b), May 22, 2008, 122 Stat. 1182; Pub. L. 110-246, §4(a), title VI, §6027(b), June 18, 2008, 122 Stat. 1664, 1943.)

REFERENCES IN TEXT

The date of enactment of this paragraph, referred to in subsec. (c)(3), is the date of enactment of Pub. L. 110-246, which was approved June 18, 2008.

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). Pub. L. 110-246, §6027(b)(1), substituted “a fee that does not exceed \$500” for “such fees as the Secretary considers appropriate”.

Subsec. (b). Pub. L. 110-246, §6027(b)(2), substituted “that does not exceed \$500” for “approved by the Secretary”.

Subsec. (c)(1). Pub. L. 110-246, §6027(b)(3)(A), substituted “Except as provided in paragraph (3), the” for “The”.

Subsec. (c)(2)(C). Pub. L. 110-246, §6027(b)(3)(B), added subpar. (C).

Subsec. (c)(3). Pub. L. 110-246, §6027(b)(3)(C), added par. (3).

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-7. Operational assistance grants**

**(a) In general**

In accordance with this section, the Secretary may make grants to rural business investment

companies and to other entities, as authorized by this subchapter, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

**(b) Terms**

Grants made under this section shall be made over a multiyear period (not to exceed 10 years) under such terms as the Secretary may require.

**(c) Use of funds**

The proceeds of a grant made under this section may be used by the rural business investment company receiving the grant only to provide operational assistance in connection with an equity or prospective equity investment in a business located in a rural area.

**(d) Submission of plans**

A rural business investment company shall be eligible for a grant under this section only if the rural business investment company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

**(e) Grant amount**

**(1) Rural business investment companies**

The amount of a grant made under this section to a rural business investment company shall be equal to the lesser of—

(A) 10 percent of the private capital raised by the rural business investment company; or

(B) \$1,000,000.

**(2) Other entities**

The amount of a grant made under this section to any entity other than a rural business investment company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to rural business investment companies under this subchapter.

(Pub. L. 87-128, title III, §384H, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 395.)

**§ 2009cc-8. Rural business investment companies**

**(a) Organization**

For the purpose of this subchapter, a rural business investment company shall—

(1) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this subchapter;

(2)(A) if incorporated, have succession for a period of not less than 30 years unless earlier dissolved by the shareholders of the rural business investment company; and

(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

**(b) Articles**

The articles of any rural business investment company—