

§ 1462. Economic development; educational loans; limitation of loans to or investments in non-Indian organizations

Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than 50 per centum of loan made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

(Pub. L. 93-262, title I, §102, Apr. 12, 1974, 88 Stat. 78.)

§ 1463. Repayment of loan; financing from other sources

Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

(Pub. L. 93-262, title I, §103, Apr. 12, 1974, 88 Stat. 78.)

§ 1464. Maturity of loans; interest rate; interest deferral on educational loans

Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

(Pub. L. 93-262, title I, §104, Apr. 12, 1974, 88 Stat. 78.)

§ 1465. Modification of amount of loan and document securing loan in collection of loan or in best interests of the United States

The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this subchapter and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States. He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

(Pub. L. 93-262, title I, §105, Apr. 12, 1974, 88 Stat. 78; Pub. L. 98-449, §3, Oct. 4, 1984, 98 Stat. 1725.)

AMENDMENTS

1984—Pub. L. 98-449 struck out proviso at end of first sentence which provided that proceedings pursuant to this section would be effective only after following the procedure set out in section 386a of this title.

§ 1466. Land and personal property title

Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

(Pub. L. 93-262, title I, §106, Apr. 12, 1974, 88 Stat. 78.)

§ 1467. Security for loan; assignment of securities; reasonable assurance of repayment

Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

(Pub. L. 93-262, title I, §107, Apr. 12, 1974, 88 Stat. 79.)

§ 1468. Authorization of appropriations

There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund \$50,000,000 exclusive of prior authorizations and appropriations.

(Pub. L. 93-262, title I, §108, Apr. 12, 1974, 88 Stat. 79.)

§ 1469. Rules and regulations

The Secretary shall promulgate rules and regulations to carry out the provisions of this subchapter.

(Pub. L. 93-262, title I, §109, Apr. 12, 1974, 88 Stat. 79.)

SUBCHAPTER II—LOAN GUARANTY AND INSURANCE

§ 1481. Loan guaranties and insurance

(a) In general

In order to provide access to private money sources which otherwise would not be available, the Secretary may—

- (1) guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a form or organization satisfactory to the Secretary, and to individual Indians; or