

§ 1497. Indian Loan Guaranty and Insurance Fund

(a) Establishment of revolving fund

There is hereby created an Indian Loan Guaranty and Insurance Fund (hereinafter referred to as the “fund”) which shall be available to the Secretary as a revolving fund without fiscal year limitation for carrying out the provisions of this subchapter.

(b) Aggregate loans or surety bonds limitation

The Secretary may use the fund for the purpose of fulfilling the obligations with respect to loans or surety bonds guaranteed or insured under this subchapter, but the aggregate of such loans or surety bonds which are insured or guaranteed by the Secretary shall be limited to \$1,500,000,000.

(c) Assets, liabilities, and obligations of fund; loan and surety bond servicing and purchasing agreements: terms and conditions

All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the fund; and all liabilities and obligations of such assets shall be liabilities and obligations of the fund. The Secretary is authorized to make agreements with respect to servicing loans or surety bonds held, guaranteed, or insured by him under this subchapter and purchasing such guaranteed or insured loans or surety bonds on such terms and conditions as he may prescribe.

(d) Utilization of fund for diverse payments

The Secretary may also utilize the fund to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans or surety bonds which are guaranteed or insured under this subchapter or held by the Secretary, to acquire such security property at foreclosure sale or otherwise, and to pay administrative expenses.

(e) Authorization of appropriations

There are authorized to be appropriated for each fiscal year beginning in fiscal year 1985 such sums as may be necessary to fulfill obligations with respect to losses on loans or surety bonds guaranteed or insured under this subchapter. All collections and all moneys appropriated pursuant to the authority of this subsection shall remain available until expended.

(Pub. L. 93-262, title II, §217, Apr. 12, 1974, 88 Stat. 82; Pub. L. 98-449, §7, Oct. 4, 1984, 98 Stat. 1725; Pub. L. 100-442, §§3, 4(a), (b), 5(d), Sept. 22, 1988, 102 Stat. 1763, 1764; Pub. L. 105-362, title VIII, §801(b), Nov. 10, 1998, 112 Stat. 3287; Pub. L. 109-221, title IV, §401(d), May 12, 2006, 120 Stat. 343.)

AMENDMENTS

2006—Subsec. (b). Pub. L. 109-221 substituted “\$1,500,000,000” for “\$500,000,000”.

1998—Subsec. (f). Pub. L. 105-362 struck out subsec. (f) which read as follows: “If the Secretary determines that the amount in the fund is not sufficient to maintain an adequate level of reserves necessary to meet the responsibilities of the fund in connection with

losses on loans or surety bonds guaranteed or insured under this subchapter, the Secretary shall promptly submit a report notifying Congress of the deficiencies in the fund.”

1988—Subsec. (b). Pub. L. 100-442, §§3, 5(d), inserted “or surety bonds” after “loans” in two places and substituted “\$500,000,000” for “\$200,000,000”.

Subsecs. (c), (d). Pub. L. 100-442, §5(d), inserted “or surety bonds” after “loans” wherever appearing.

Subsec. (e). Pub. L. 100-442, §§4(a), 5(d), inserted “or surety bonds” after “loans” and substituted “All collections and all moneys appropriated pursuant to the authority of this subsection shall remain available” for “All collections shall remain”.

Subsec. (f). Pub. L. 100-442, §4(b), added subsec. (f).

1984—Subsec. (e). Pub. L. 98-449 added subsec. (e).

LIMITATION ON NEW CREDIT AUTHORITY

Pub. L. 100-442, §4(c), Sept. 22, 1988, 102 Stat. 1763, provided that: “Any new credit authority (as defined in section 3 of the Congressional Budget and Impoundment Control Act of 1974 [2 U.S.C. 622]) which is provided by amendments made by this Act [enacting sections 1497a, 1499, and 1544 of this title and amending this section and sections 1452, 1484, 1485, 1496, and 1498 of this title] shall be effective only to such extent and in such amounts as may be approved in advance in appropriation Acts.”

§ 1497a. Supplemental surety bond guarantee

(a) Amount; eligibility

The Secretary is authorized to provide a supplemental surety bond guarantee, not to exceed 20 percent of any loss, for any Indian individual or economic enterprise eligible for a surety guarantee under section 694b of title 15, so that the aggregate of the two guarantees is 100 percent.

(b) Conditions

The Secretary may provide a supplemental guarantee under this section only if the Secretary determines that—

(1) the Indian individual or economic enterprise has secured or will likely secure a surety bond guarantee under section 694b of title 15;

(2) the supplemental guarantee is necessary for the Indian individual or economic enterprise to secure a surety bond;

(3) no more than 25 percent of the surety’s business is comprised of bonds guaranteed pursuant to this section; and

(4) the surety will provide appropriate technical assistance and advice to, and monitor the performance of, the Indian individual or economic enterprise for the prevention or mitigation of a loss.

(c) Fees and charges

The rules and regulations promulgated by the Secretary to carry out this section shall include the setting of reasonable fees to be paid by the Indian individual or economic enterprise and reasonable premium charges to be paid by sureties. In setting fees and charges, the Secretary may take into consideration the cost to the surety of providing the services required by paragraph (4) of subsection (b) of this section. The receipts from the fees and charges shall be deposited in the Fund established by section 1497(a) of this title.

(Pub. L. 93-262, title II, §218, as added Pub. L. 100-442, §5(a), Sept. 22, 1988, 102 Stat. 1764.)

PRIOR PROVISIONS

A prior section 218 of Pub. L. 93-262 was renumbered section 219 by Pub. L. 100-442 and is classified to section 1498 of this title.

§ 1498. Rules and regulations

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

(Pub. L. 93-262, title II, § 219, formerly § 218, Apr. 12, 1974, 88 Stat. 82; renumbered § 219, Pub. L. 100-442, § 5(a), Sept. 22, 1988, 102 Stat. 1764.)

§ 1499. Limitation on guarantee of debt issues; approval of bond issue sale

(a) The Secretary may guarantee not to exceed 90 percent of the unpaid principal and interest due on an issue of bonds, debentures, or similar obligations issued by an organization satisfactory to the Secretary. Such an issue shall be deemed a loan for purposes of sections 1482, 1483, 1484, 1485, 1486, 1489, 1490, 1491, 1493, 1494, 1495, 1496, and 1497 of this title.

(b) The method by which an issue of bonds guaranteed under this section may be sold shall be subject to approval by the Secretary.

(Pub. L. 93-262, title II, § 220, as added Pub. L. 100-442, § 6, Sept. 22, 1988, 102 Stat. 1764.)

SUBCHAPTER III—INTEREST SUBSIDIES
AND ADMINISTRATIVE EXPENSES**§ 1511. Interest subsidies; rules and regulations**

The Secretary is authorized under such rules and regulations as he may prescribe to pay as an interest subsidy on loans which are guaranteed or insured under the provisions of subchapter II of this chapter amounts which are necessary to reduce the rate payable by the borrower to the rate determined under section 1464 of this title.

(Pub. L. 93-262, title III, § 301, Apr. 12, 1974, 88 Stat. 82.)

§ 1512. Authorization of appropriations for interest payments

There are authorized to be appropriated for fiscal year 1985, and for each fiscal year thereafter, an amount which does not exceed \$5,500,000 for purposes of making interest payments authorized under this subchapter. Sums appropriated under this section, shall remain available until expended.

(Pub. L. 93-262, title III, § 302, Apr. 12, 1974, 88 Stat. 82; Pub. L. 98-449, § 8, Oct. 4, 1984, 98 Stat. 1725.)

AMENDMENTS

1984—Pub. L. 98-449 amended section generally, substituting provisions authorizing appropriations for payment of interest under this subchapter for provisions authorizing appropriations for the Indian Loan Guarantee and Insurance Fund, interest subsidies and administrative expenses.

SUBCHAPTER IV—INDIAN BUSINESS
GRANTS**§ 1521. Indian Business Development Program; establishment; statement of purpose**

There is established within the Department of the Interior the Indian Business Development

Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profit-making Indian-owned economic enterprises on or near reservations.

(Pub. L. 93-262, title IV, § 401, Apr. 12, 1974, 88 Stat. 82.)

§ 1522. Conditions**(a) Limitation of amount**

No grant in excess of \$100,000 in the case of an Indian and \$250,000 in the case of an Indian tribe, or such lower amount as the Secretary may determine to be appropriate, may be made under this subchapter.

(b) Financing from other sources; inability to obtain funds; applicant's financial resources

A grant may be made only to an applicant who, in the opinion of the Secretary, is unable to obtain adequate financing for its economic enterprise from other sources: *Provided*, That prior to making any grant under this subchapter, the Secretary shall assure that, where practical, the applicant has reasonably made available for the economic enterprise funds from the applicant's own financial resources.

(c) Percentage requirement

No grant may be made to an applicant who is unable to obtain at least 60 per centum of the necessary funds for the economic enterprise from other sources.

(Pub. L. 93-262, title IV, § 402, Apr. 12, 1974, 88 Stat. 83; Pub. L. 98-449, § 9, Oct. 4, 1984, 98 Stat. 1725.)

AMENDMENTS

1984—Subsec. (a). Pub. L. 98-449 amended subsec. (a) generally, substituting provisions setting forth different levels of maximum grant amounts in cases of Indians and Indian tribes for provisions providing a maximum of \$50,000 in cases of both Indians and Indian tribes.

§ 1523. Authorization of appropriations

There are authorized to be appropriated not to exceed the sum of \$10,000,000 per year for fiscal year 1986 and each fiscal year thereafter for the purposes of this subchapter.

(Pub. L. 93-262, title IV, § 403, Apr. 12, 1974, 88 Stat. 83; Pub. L. 95-68, July 20, 1977, 91 Stat. 272; Pub. L. 98-449, § 10, Oct. 4, 1984, 98 Stat. 1726.)

AMENDMENTS

1984—Pub. L. 98-449 amended section generally, substituting "\$10,000,000" for "\$14,000,000" and "1986 and each fiscal year thereafter" for "1978 and 1979".

1977—Pub. L. 95-68 substituted "\$14,000,000 for each of the fiscal years 1978 and 1979" for "\$10,000,000 for each of the fiscal years 1975, 1976, and 1977".

§ 1524. Rules and regulations

The Secretary of the Interior is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this chapter.

(Pub. L. 93-262, title IV, § 404, Apr. 12, 1974, 88 Stat. 83.)