

(1) treat any amount invested by any qualified telephone borrower for any purpose described in section 2204b(c)(2) of this title (including any investment in, or extension of credit, guarantee, or advance made to, an affiliated company of the borrower, that is used by such company for such a purpose) as a dividend or distribution of capital to the extent that, immediately after such investment, the aggregate of such investments does not exceed  $\frac{1}{3}$  of the net worth of the borrower; or

(2) require a qualified telephone borrower to obtain the approval of the Secretary or the Governor of the telephone bank in order to make an investment described in paragraph (1).

**(b) “Qualified telephone borrower” defined**

As used in subsection (a) of this section, the term “qualified telephone borrower” means a person—

(1) to whom a telephone loan has been made or guaranteed under this chapter; and

(2) whose net worth is at least 20 percent of the total assets of such person.

(May 20, 1936, ch. 432, title II, § 205, as added Pub. L. 101-624, title XXIII, § 2356, Nov. 28, 1990, 104 Stat. 4039; amended Pub. L. 103-354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

AMENDMENTS

1994—Subsec. (a). Pub. L. 103-354 substituted “Secretary” for “Administrator” in two places.

**§ 927. General duties and prohibitions**

**(a) Duties**

The Secretary and the Governor of the telephone bank shall—

(1) notwithstanding section 553(a)(2) of title 5, cause to be published in the Federal Register, in accordance with subsections (b) through (e) of section 553 of such title, all rules, regulations, bulletins, and other written policy standards governing the operations of the telephone loan and loan guarantee programs administered under this chapter other than those relating to agency management and personnel;

(2) in evaluating the feasibility of a telephone loan to be made to a borrower for telephone services, use—

(A) with respect to items for which the regulatory authority with jurisdiction over the provision of such services has approved the depreciation rates used by the borrower, such approved rates; and

(B) with respect to other items, the average of the depreciation rates used by borrowers of telephone loans made under this chapter;

(3) annually determine and publish the average described in paragraph (2)(B); and

(4) make loans for all purposes for which telephone loans are authorized under section 922 or 948 of this title, to the extent of qualifying applications therefor.

**(b) Prohibitions**

The Secretary and the Governor of the telephone bank shall not—

(1) rescind an insured telephone loan, or a Rural Telephone Bank loan, made under this chapter without the consent of the borrower, unless all of the purposes for which telephone loans have been made to the borrower under this chapter have been accomplished with funds provided under this chapter;

(2) regulate the order or sequence of advances of funds under telephone loans made under this chapter to any borrower who has received any combination of telephone loans from the Secretary, the Rural Telephone Bank, or the Federal Financing Bank; or

(3) deny a loan or advance to, or take any other adverse action against, an applicant for, or a borrower of, a telephone loan under this chapter for any reason that is not based on a rule, regulation, bulletin, or other written policy standard that has not been published pursuant to section 553 of title 5.

(May 20, 1936, ch. 432, title II, § 206, as added Pub. L. 101-624, title XXIII, § 2357, Nov. 28, 1990, 104 Stat. 4040; amended Pub. L. 103-354, title II, § 235(a)(7), (13), Oct. 13, 1994, 108 Stat. 3221.)

AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator” in subsections (a) and (b) and “Secretary” for “Rural Electrification Administration” in subsection (b)(2).

**§ 928. Prompt processing of telephone loans**

Within ten days after the end of the second and fourth calendar quarters of each year, the Secretary shall submit to the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report—

(1) identifying each completed application for a telephone loan under section 935 of this title, a guarantee of a telephone loan under section 936 of this title, or a loan under section 948 of this title, that has not been finally acted upon within ninety days after the date the completed application is submitted; and

(2) stating the reasons for the failure to finally act upon the completed applications within such ninety-day period.

(May 20, 1936, ch. 432, title II, § 207, as added Pub. L. 101-624, title XXIII, § 2358, Nov. 28, 1990, 104 Stat. 4041; amended Pub. L. 103-354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator”.

SUBCHAPTER III—RURAL ELECTRIC AND TELEPHONE DIRECT LOAN PROGRAMS

**§ 930. Congressional declaration of policy**

It is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of this chapter and that such rural electric and telephone systems should