

§ 6009(a), May 22, 2008, 122 Stat. 1163; Pub. L. 110-246, §4(a), title VI, §6009(a), June 18, 2008, 122 Stat. 1664, 1924.)

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 L. 110-234 were repealed by section 4(a) of Pub.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. (d)(1). Pub. L. 110-246, §6009(a), substituted “2008 through 2012” for “2001 through 2007”.

2002—Subsec. (d)(1). Pub. L. 107-171 substituted “through 2007” for “and 2002”.

2000—Subsec. (d). Pub. L. 106-224 added subsec. (d) and struck out heading and text of former subsec. (d). Text read as follows: “There are authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 1996 through 2002.”

1998—Subsec. (b). Pub. L. 105-277 substituted “25 percent in matching” for “equal matching”.

Subsec. (d). Pub. L. 105-277 substituted “\$20,000,000” for “\$15,000,000”.

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.

§ 1926e. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes

(a) Definition of eligible individual

In this section, the term “eligible individual” means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 100 percent of the median non-metropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

(b) Grants

(1) In general

The Secretary may make grants to private nonprofit organizations for the purpose of providing loans to eligible individuals for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are or will be owned by the eligible individuals.

(2) Terms of loans

A loan made with grant funds under this section—

- (A) shall have an interest rate of 1 percent;
- (B) shall have a term not to exceed 20 years; and

- (C) shall not exceed \$11,000 for each water well system described in paragraph (1).

(3) Administrative expenses

A recipient of a grant made under this section may use grant funds to pay administrative expenses associated with providing the assistance described in paragraph (1), as determined by the Secretary.

(c) Priority in awarding grants

In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

(d) Authorization of appropriations

There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2008 through 2012.

(Pub. L. 87-128, title III, §306E, as added Pub. L. 107-171, title VI, §6012(a), May 13, 2002, 116 Stat. 357; amended Pub. L. 110-234, title VI, §6010, May 22, 2008, 122 Stat. 1163; Pub. L. 110-246, §4(a), title VI, §6010, June 18, 2008, 122 Stat. 1664, 1925.)

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)(2)(C). Pub. L. 110-246, §6010(1), substituted “\$11,000” for “\$8,000”.

Subsec. (d). Pub. L. 110-246, §6010(2), substituted “2008 through 2012” for “2003 through 2007”.

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.

EFFECTIVE DATE

Pub. L. 107-171, title VI, §6012(b), May 13, 2002, 116 Stat. 358, provided that: “The amendment made by subsection (a) [enacting this section] takes effect on October 1, 2002.”

§ 1926f. Contracts with not-for-profit third parties

On and after November 10, 2005, notwithstanding the provisions of the Consolidated Farm and Rural Development Act [7 U.S.C. 1921 et seq.] (including the associated regulations) governing the Community Facilities Program, the Secretary may allow all Community Facility Program facility borrowers and grantees to enter into contracts with not-for-profit third parties for services consistent with the requirements of the Program, grant, and/or loan: *Provided*, That the contracts protect the interests of the Government regarding cost, liability, maintenance, and administrative fees.

(Pub. L. 109-97, title VII, §756, Nov. 10, 2005, 119 Stat. 2157.)

REFERENCES IN TEXT

The Consolidated Farm and Rural Development Act, referred to in text, is title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, as amended, which is classified principally to this chapter. For complete classification of the Act to the Code, see Short Title note set out under section 1921 of this title and Tables.

CODIFICATION

Section was enacted as part of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006, and not as part

of the Consolidated Farm and Rural Development Act which comprises this chapter.

PRIOR PROVISIONS

Provisions similar to those in this section were contained in the following prior appropriation acts:

Pub. L. 108-447, div. A, title VII, §770, Dec. 8, 2004, 118 Stat. 2848.

Pub. L. 108-199, div. A, title VII, §775, Jan. 23, 2004, 118 Stat. 40.

§ 1927. Repayment requirements

(a) Period of repayment; interest rates

(1) The period for repayment of loans under this subchapter shall not exceed forty years.

(2) Except as otherwise provided in paragraphs (3), (4), (5), and (6) of this subsection, the interest rates on loans under this subchapter shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum.

(3)(A) Notwithstanding the provisions of the constitution or laws of any State limiting the rate or amount of interest that may be charged, taken, received, or reserved, except as provided in paragraph (6), the interest rates on loans (other than guaranteed loans), to public bodies or nonprofit associations (including Indian tribes on Federal and State reservations and other federally recognized Indian tribal groups) for water and waste disposal facilities and essential community facilities shall be set by the Secretary at rates not to exceed the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for such loans, and adjusted to the nearest one-eighth of 1 per centum; and not in excess of 5 per centum per annum for any such loans which are for the upgrading of existing facilities or construction of new facilities as required to meet applicable health or sanitary standards in areas where the median household income of the persons to be served by such facility is below the higher of 80 per centum of the statewide nonmetropolitan median household income or the poverty line established by the Office of Management and Budget, as revised under section 9902(2) of title 42 and in other areas as the Secretary may designate where a significant percentage of the persons to be served by such facilities are of low income, as determined by the Secretary; and not in excess of 7 per centum per annum on loans for such facilities that do not qualify for the 5 per centum per annum interest rate but are located in areas where the median household income of the persons to be served by the facility does not exceed 100 per centum of the statewide nonmetropolitan median household income.

(B) Except as provided in subparagraph (D) and in paragraph (6), the interest rate on loans (other than guaranteed loans) under section 1934 of this title shall not be—

(i) greater than the sum of—

(I) an amount that does not exceed one-half of the current average market yield on

outstanding marketable obligations of the United States with maturities of 5 years; and

(II) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

(ii) less than 5 percent per year.

(C) Notwithstanding subparagraph (A), the Secretary shall establish loan rates for health care and related facilities based solely on the income of the area to be served, and such rates shall be otherwise consistent with such subparagraph.

(D) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this subchapter as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be at least 4 percent annually.

(E) INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.—

(i) IN GENERAL.—Except as provided in clause (ii) and notwithstanding subparagraph (A), in the case of a direct loan for a water or waste disposal facility—

(I) in the case of a loan that would be subject to the 5 percent interest rate limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 60 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest $\frac{1}{8}$ of 1 percent; and

(II) in the case of a loan that would be subject to the 7 percent limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 80 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest $\frac{1}{8}$ of 1 percent.

(ii) EXCEPTION.—Clause (i) does not apply to a loan for a specific project that is the subject of a loan that has been approved, but not closed, as of the date of enactment of this subparagraph.

(4) Except as provided in paragraph (6), the interest rates on loans under sections 1926(a)(1) and 1932 of this title (other than guaranteed loans and loans as described in paragraph (3) of this subsection) shall be as determined by the Secretary, but not less than such rates as determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted in the judgment of the Secretary of the Treasury to provide for rates comparable to the rates prevailing in the private market for similar loans and considering the Secretary's insurance of the loans, plus an additional charge, prescribed by the Secretary, to cover the Secretary's losses and cost of administration, which charge shall be deposited in the