

equipment) are used as collateral to secure a loan made under this subchapter, the Secretary shall value the assets based on the higher of (A) the value of the assets on the day before the date the governor of the State in which the farm is located requests assistance under this subchapter or the Disaster Relief Act of 1974 for any portion of such State affected by the disaster with respect to which the application for the loan is made, or (B) the value of the assets one year before such day.

1981—Subsec. (b)(1). Pub. L. 97-35 in cl. (A) increased amount from 5 to 8 per centum, and in cl. (B) substituted provisions relating to a rate not in excess of the rate prevailing in the private market for similar loans, for provisions relating to a rate not in excess of current average market yield on outstanding United States marketable obligations, plus additional charges and adjustments.

1980—Subsec. (a). Pub. L. 96-348, §3(a), (b)(1), repealed section 120 of Pub. L. 96-302 (see par. below) and amended subsec. (a) generally, substituting provisions relating to the limitation on loans made or insured under this subchapter and authorizing excess loan amounts for provisions relating to the interest rates, maturity and security of loans made or insured under this chapter.

Pub. L. 96-302, §120(b) (see par. above), substituted interest rate provisions of first sentence for prior provision for loans “(1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary” and inserted proviso in second sentence for repayment of subsec. (a)(1)(B) loans.

Subsec. (b). Pub. L. 96-438, §3(b)(1), substituted provisions relating to interest rates on loans made or insured under this subchapter for provisions relating to eligibility of political subdivisions of states for grants under this chapter.

Subsecs. (c) to (e). Pub. L. 96-438, §3(b)(1), added subsecs. (c) to (e).

1978—Subsecs. (b), (c). Pub. L. 95-334 redesignated subsec. (c) as (b). Former subsec. (b), which related to reductions in the interest rate based on interest rate of the Small Business Administration, was struck out.

1977—Subsec. (a). Pub. L. 95-89 designated existing provisions as subsec. (a) and struck out last proviso prescribing for any loan made by the Small Business Administration in connection with a disaster occurring on or after Aug. 5, 1975, under section 636(b)(1), (2), or (4) of title 15 a rate of interest determined in the first paragraph following section 636(b)(8) of title 15 for loans under paragraphs (3), (5), (6), (7), or (8) of section 636(b) of title 15, now covered in subsec. (b) of this section.

Subsecs. (b), (c). Pub. L. 95-89 added subsecs. (b) and (c).

1975—Pub. L. 94-68 made the existing rate of 5 percent applicable to loans up to the amount of the actual loss caused by the disaster, inserted provisions that for loans or portions of loans in excess of that amount the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary, and inserted provisos relating to security, disasters occurring after Jan. 1, 1975, and loans made by Small Business Administration.

1973—Pub. L. 93-24 substituted “5” for “3” per centum.

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 624 of Pub. L. 104-127 effective Apr. 4, 1996, and amendment by section 625 of Pub. L. 104-127 effective 90 days after Apr. 4, 1996, see section 663(a), (b) of Pub. L. 104-127, set out as a note under section 1922 of this title.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-258 applicable to disasters occurring after May 30, 1983, see section 602(c) of Pub.

L. 98-258, set out as a note under section 1961 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Section 162(b) of Pub. L. 97-35 provided that: “The amendments made by this section [amending this section] shall apply to loans made with respect to disasters occurring after September 30, 1981”.

#### EFFECTIVE DATE OF 1980 AMENDMENTS

Amendment by section 3(b)(1) of Pub. L. 96-438 effective with respect to loans approved after Oct. 13, 1980, except for certain subsequent emergency loans, see section 3(d) of Pub. L. 96-438, set out as a note under section 1961 of this title.

Amendment by Pub. L. 96-302 effective Oct. 1, 1980, see section 507 of Pub. L. 96-302, set out as a note under section 631 of Title 15, Commerce and Trade.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-334, title I, §119, Aug. 4, 1978, 92 Stat. 427, provided that the amendment made by that section is effective Oct. 1, 1978.

#### SMALL BUSINESS DISASTER LOANS; INTEREST RATE; CANCELLATION OF LOANS

Loans by Small Business Administration in connection with any disaster occurring on or after Apr. 20, 1973 made under section 636(b)(1), (2), or (4) of Title 15, as subject to interest rate determined under this section and prohibition against cancellation of such loan under any provision of law, see section 9 of Pub. L. 93-24, set out as a note under section 636 of Title 15, Commerce and Trade.

#### § 1965. Repealed. Pub. L. 95-334, title I, § 120, Aug. 4, 1978, 92 Stat. 427

Section, Pub. L. 87-128, title III, §325, Aug. 8, 1961, 75 Stat. 311; Pub. L. 94-68, §6, Aug. 5, 1975, 89 Stat. 382, authorized delegation of authority to State Directors of Farmers Home Administration for making emergency loans.

#### § 1966. Emergency Credit Revolving Fund utilization

The Secretary is authorized to utilize the revolving fund created by section 1148a<sup>1</sup> of title 12 (hereinafter in this subchapter referred to as the “Emergency Credit Revolving Fund”) for carrying out the purposes of this subchapter.

(Pub. L. 87-128, title III, §326, Aug. 8, 1961, 75 Stat. 312.)

#### REFERENCES IN TEXT

Section 1148a of title 12, referred to in text, was repealed by Pub. L. 92-181, title V, §5.26(a), Dec. 10, 1971, 85 Stat. 624. See section 2252 of Title 12, Banks and Banking.

The Emergency Credit Revolving Fund, referred to in text, was abolished and its assets and liabilities transferred to the Agricultural Credit Insurance Fund by section 1929 of this title.

#### § 1967. Addition to Emergency Credit Revolving Fund of sums from liquidation of loans; authorization of appropriations

(a) All sums received by the Secretary from the liquidation of loans made under the provisions of this subchapter or under the Act of April 6, 1949, as amended, or the Act of August 31, 1954, and from the liquidation of any other assets acquired with money from the Emergency

<sup>1</sup> See References in Text note below.