

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.

§ 2009cc-7. Operational assistance grants**(a) In general**

In accordance with this section, the Secretary may make grants to rural business investment companies and to other entities, as authorized by this subchapter, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

(b) Terms

Grants made under this section shall be made over a multiyear period (not to exceed 10 years) under such terms as the Secretary may require.

(c) Use of funds

The proceeds of a grant made under this section may be used by the rural business investment company receiving the grant only to provide operational assistance in connection with an equity or prospective equity investment in a business located in a rural area.

(d) Submission of plans

A rural business investment company shall be eligible for a grant under this section only if the rural business investment company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

(e) Grant amount**(1) Rural business investment companies**

The amount of a grant made under this section to a rural business investment company shall be equal to the lesser of—

- (A) 10 percent of the private capital raised by the rural business investment company; or
- (B) \$1,000,000.

(2) Other entities

The amount of a grant made under this section to any entity other than a rural business investment company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to rural business investment companies under this subchapter.

(Pub. L. 87-128, title III, §384H, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 395.)

§ 2009cc-8. Rural business investment companies**(a) Organization**

For the purpose of this subchapter, a rural business investment company shall—

- (1) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this subchapter;
- (2)(A) if incorporated, have succession for a period of not less than 30 years unless earlier

dissolved by the shareholders of the rural business investment company; and

(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

(b) Articles

The articles of any rural business investment company—

(1) shall specify in general terms—

(A) the purposes for which the rural business investment company is formed;

(B) the name of the rural business investment company;

(C) the area or areas in which the operations of the rural business investment company are to be carried out;

(D) the place where the principal office of the rural business investment company is to be located; and

(E) the amount and classes of the shares of capital stock of the rural business investment company;

(2) may contain any other provisions consistent with this subchapter that the rural business investment company may determine appropriate to adopt for the regulation of the business of the rural business investment company and the conduct of the affairs of the rural business investment company; and

(3) shall be subject to the approval of the Secretary.

(c) Capital requirements**(1) In general**

Except as provided in paragraph (2), the private capital of each rural business investment company shall be not less than—

(A) \$5,000,000; or

(B) \$10,000,000, with respect to each rural business investment company authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Secretary under this subchapter.

(2) Exception

The Secretary may, in the discretion of the Secretary and based on a showing of special circumstances and good cause, permit the private capital of a rural business investment company described in paragraph (1)(B) to be less than \$10,000,000, but not less than \$5,000,000, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

(3) Time frame

Each rural business investment company shall have a period of 2 years to meet the capital requirements of this subsection.

(4) Adequacy

In addition to the requirements of paragraph (1), the Secretary shall—

- (A) determine whether the private capital of each rural business investment company is adequate to ensure a reasonable prospect that the rural business investment company