

by section 101(f) [title VIII, § 405(f)(35)] of Pub. L. 105-277 effective July 1, 2000, see section 101(f) [title VIII, § 405(g)(1), (2)(B)] of Pub. L. 105-277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

§ 13824. Availability of lines of credit and use

(a) Approval of application

The Secretary shall provide a community development corporation that has an application approved under section 13823 of this title with a line of credit in an amount determined appropriate by the Secretary, subject to the limitations contained in subsection (b) of this section.

(b) Limitations on availability of amounts

(1) Maximum amount

The Secretary shall not provide in excess of \$2,000,000 in lines of credit under this subpart to a single applicant.

(2) Period of availability

A line of credit provided under this subpart shall remain available over a period of time established by the Secretary, but in no event shall any such period of time be in excess of 3 years from the date on which such line of credit is made available.

(3) Exception

Notwithstanding paragraphs (1) and (2), if a recipient of a line of credit under this subpart has made full and productive use of such line of credit, can demonstrate the need and demand for additional assistance, and can meet the requirements of section 13822(b)(2) of this title, the amount of such line of credit may be increased by not more than \$1,500,000.

(c) Amounts drawn from line of credit

Amounts drawn from each line of credit under this subpart shall be used solely for the purposes described in section 13821 of this title and shall only be drawn down as needed to provide loans, investments, or to defray administrative costs related to the establishment of a revolving loan fund.

(d) Use of revolving loan funds

Revolving loan funds established with lines of credit provided under this subpart may be used to provide technical assistance to private business enterprises and to provide financial assistance in the form of loans, loan guarantees, interest reduction assistance, equity shares, and other such forms of assistance to business enterprises in target areas and who are in compliance with section 13823(a)(4) of this title.

(Pub. L. 103-322, title III, §31114, Sept. 13, 1994, 108 Stat. 1884.)

§ 13825. Limitations on use of funds

(a) Matching requirement

Not to exceed 50 percent of the total amount to be invested by an entity under this subpart may be derived from funds made available from a line of credit under this subpart.

(b) Technical assistance and administration

Not to exceed 10 percent of the amounts available from a line of credit under this subpart

shall be used for the provision of training or technical assistance and for the planning, development, and management of economic development projects. Community development corporations shall be encouraged by the Secretary to seek technical assistance from other community development corporations, with expertise in the planning, development and management of economic development projects. The Secretary shall assist in the identification and facilitation of such technical assistance.

(c) Local and private sector contributions

To receive funds available under a line of credit provided under this subpart, an entity, using procedures established by the Secretary, shall demonstrate to the community development corporation that such entity agrees to provide local and private sector contributions in accordance with section 13822(b)(2)(D) of this title, will participate with such community development corporation in a loan, guarantee or investment program for a designated business enterprise, and that the total financial commitment to be provided by such entity is at least equal to the amount to be drawn from the line of credit.

(d) Use of proceeds from investments

Proceeds derived from investments made using funds made available under this subpart may be used only for the purposes described in section 13821 of this title and shall be reinvested in the community in which they were generated.

(Pub. L. 103-322, title III, §31115, Sept. 13, 1994, 108 Stat. 1884.)

§ 13826. Program priority for special emphasis programs

(a) In general

The Secretary shall give priority in providing lines of credit under this subpart to community development corporations that propose to undertake economic development activities in distressed communities that target women, Native Americans, at risk youth, farmworkers, population-losing communities, very low-income communities, single mothers, veterans, and refugees; or that expand employee ownership of private enterprises and small businesses, and to programs providing loans of not more than \$35,000 to very small business enterprises.

(b) Reservation of funds

Not less than 5 percent of the amounts made available under section 13822(a)(2)(A)¹ of this title may be reserved to carry out the activities described in subsection (a) of this section.

(Pub. L. 103-322, title III, §31116, Sept. 13, 1994, 108 Stat. 1885.)

SUBPART 2—EMERGING COMMUNITY DEVELOPMENT CORPORATIONS

§ 13841. Community development corporation improvement grants

(a) Purpose

It is the purpose of this section to provide assistance to community development corpora-

¹ So in original. Probably should be section "13852(b)(1)".