

priate, the guaranteed portion of any loan guaranteed under this chapter: *Provided*, That the Secretary may not pay for any such guaranteed portion of a loan in excess of an amount equal to the unpaid principal balance and accrued interest on the guaranteed portion of the loan. The Secretary may use for such purchases funds from the Rural Development Insurance Fund with respect to rural development loans as defined in section 1929a(a) of this title and funds from the Agricultural Credit Insurance Fund with respect to all other loans under this chapter. This authority may be exercised only if the Secretary determines that an adequate secondary market is not available in the private sector.

(Pub. L. 87-128, title III, §309B, as added Pub. L. 95-334, title I, §111, Aug. 4, 1978, 92 Stat. 424.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in text, see note set out under section 1921 of this title.

§ 1930. Continued availability of appropriated funds for direct real estate loans to farmers and ranchers

Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subchapter shall remain available until expended.

(Pub. L. 87-128, title III, §310, as added Pub. L. 91-524, title VIII, §806(b), Nov. 30, 1970, 84 Stat. 1383.)

§ 1931. Repealed. Pub. L. 104-127, title VII, § 746, Apr. 4, 1996, 110 Stat. 1125

Section, Pub. L. 87-128, title III, §310A, as added Pub. L. 92-419, title I, §117, Aug. 30, 1972, 86 Stat. 663, related to insured watershed and resource conservation and development loans.

§ 1932. Assistance for rural entities

(a) Loans to private business enterprises

(1) Definitions

In this subsection:

(A) Aquaculture

The term “aquaculture” means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish.

(B) Solar energy

The term “solar energy” means energy derived from sources (other than fossil fuels) and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974, as amended [42 U.S.C. 5901 et seq.].

(2) Loan purposes

The Secretary may make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit and private investment funds that invest primarily in cooperative organizations, to Indian tribes on Federal and State reservations or other feder-

ally recognized Indian tribal groups, or to individuals for the purposes of—

(A) improving, developing, or financing business, industry, and employment (including through the financing of working capital) and improving the economic and environmental climate in rural communities, including pollution abatement and control;

(B) the conservation, development, and use of water for aquaculture purposes in rural areas;

(C) reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation), including the modification of existing systems, in rural areas; and

(D) to facilitate economic opportunity for industries undergoing adjustment from terminated Federal agricultural price and income support programs or increased competition from foreign trade.

(3) Loan guarantees

Loans described in paragraph (2), when originated, held, and serviced by other lenders, may be guaranteed by the Secretary under this section without regard to paragraphs (1) and (4) of section 1983 of this title.

(4) Maximum amount of principal

No loan may be made, insured, or guaranteed under this subsection that exceeds \$25,000,000 in principal amount.

(b) Solid waste management grants

(1) In general

The Secretary may make grants to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of such assistance.

(2) Authorization of appropriations

There is authorized to be appropriated to carry out this subsection \$10,000,000 for each of fiscal years 2014 through 2018.

(c) Rural business development grants

(1) In general

The Secretary may make grants under this subsection to eligible entities described in paragraph (2) in rural areas that primarily serve rural areas for purposes described in paragraph (3).

(2) Eligible entities

The Secretary may make grants under this subsection to—

- (A) governmental entities;
- (B) Indian tribes; and
- (C) nonprofit entities.

(3) Eligible purposes for grants

Eligible entities that receive grants under this subsection may use the grant funds for—

(A) business opportunity projects that—

(i) identify and analyze business opportunities;

(ii) identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

(iii) assist in the establishment of new rural businesses and the maintenance of existing businesses, including through business support centers;

(iv) conduct regional, community, and local economic development planning and coordination, and leadership development; and

(v) establish centers for training, technology, and trade that will provide training to rural businesses in the use of interactive communications technologies to develop international trade opportunities and markets; and

(B) projects that support the development of business enterprises that finance or facilitate—

(i) the development of small and emerging private business enterprise;

(ii) the establishment, expansion, and operation of rural distance learning networks;

(iii) the development of rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students; and

(iv) the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities.

(4) Authorization of appropriations

(A) In general

There is authorized to be appropriated to the Secretary to carry out this subsection \$65,000,000 for each of fiscal years 2014 through 2018, to remain available until expended.

(B) Allocation

Of the funds made available under subparagraph (A) for a fiscal year, not more than 10 percent shall be used for the purposes described in paragraph (3)(A).

(d) Joint loans or grants for private business enterprises; restrictions; system of certification for expeditious processing of requests for assistance; prior approval of grant or loan; equity investment as condition for loan commitment; issuance of certificates of beneficial ownership of notes

(1) The Secretary may participate in joint financing to facilitate development of private business enterprises in rural areas with the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development and other Federal and State agencies and with private and quasi-public financial institutions, through joint loans to applicants eligible under subsection (a) for the purpose of improving, developing, or financing business, industry, and employment and improving the economic and envi-

ronmental climate in rural areas or through joint grants to applicants eligible under subsection (c) for such purposes, including in the case of loans or grants the development, construction, or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refining, service and fees.

(2) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, that is calculated to or is likely to result in the transfer from one area to another of any employment or business activity provided by operations of the applicant, but this limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations unless there is reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(3) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, which is calculated to or likely to result in an increase in the production of goods, materials, or commodities, or the availability of services or facilities in the area, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises, unless such financial or other assistance will not have an adverse effect upon existing competitive enterprises in the area.

(4) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, if the Secretary of Labor certifies within 30 days after the matter has been submitted to him by the Secretary of Agriculture that the provisions of paragraphs (2) and (3) of this subsection have not been complied with. The Secretary of Labor shall, in cooperation with the Secretary of Agriculture, develop a system of certification which will insure the expeditious processing of requests for assistance under this section.

(5) No grant or loan authorized to be made under this chapter shall require or be subject to the prior approval of any officer, employee, or agency of any State.

(6) No loan commitment issued under this section shall be conditioned upon the applicant investing in excess of 10 per centum in the business or industrial enterprise for which purpose

the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than 10 per centum.

(7) No provision of law shall prohibit issuance by the Secretary of certificates evidencing beneficial ownership in a block of notes insured or guaranteed under this chapter or Title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.]; any sale by the Secretary of such certificates shall be treated as a sale of assets for the purposes of chapter 11 of title 31. Any security representing beneficial ownership in a block of notes guaranteed or insured under this chapter or Title V of the Housing Act of 1949 issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 77q, 77v, and 77x of title 15; however, the Secretary shall require (i) that the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) that the issuer provide such periodic reports of sales as the Secretary deems necessary.

(e) Rural cooperative development grants

(1) Definitions

In this subsection:

(A) Nonprofit institution

The term “nonprofit institution” means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(B) United States

The term “United States” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

(2) Grants

The Secretary shall make grants effective October 1, 1996, under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

(3) Goals

The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

(4) Application

Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(vi) Programs providing for the coordination of services and sharing of information among the center.¹

(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

(G) Provisions for—

(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

(ii) accounting for money received by the institution under this section.

(5) Awarding grants

Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

(A) demonstrate a proven track record in carrying out activities to promote and assist the development of cooperatively and mutually owned businesses;

(B) demonstrate previous expertise in providing technical assistance in rural areas to promote and assist the development of cooperatively and mutually owned businesses;

¹ So in original. Probably should be “centers.”

(C) demonstrate the ability to assist in the retention of businesses, facilitate the establishment of cooperatives and new cooperative approaches, and generate employment opportunities that will improve the economic conditions of rural areas;

(D) commit to providing technical assistance and other services to underserved and economically distressed areas in rural areas of the United States;

(E) demonstrate a commitment to—

(i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

(ii) developing multiorganization and multistate approaches to addressing the economic development and cooperative needs of rural areas; and

(F) commit to providing a 25 percent matching contribution with private funds and in-kind contributions, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)).

(6) Grant period

(A) In general

A grant awarded to a center that has received no prior funding under this subsection shall be made for a period of 1 year.

(B) Multiyear grants

If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the parameters described in paragraph (5), as determined by the Secretary.

(7) Authority to extend grant period

The Secretary may extend for 1 additional 12-month period the period in which a grantee may use a grant made under this subsection.

(8) Technical assistance to prevent excessive unemployment or underemployment

In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

(9) Grants to defray administrative costs

The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of

determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

(10) Cooperative research program

The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the effects of all types of cooperatives on the national economy.

(11) Addressing needs of minority communities

(A) Definition of socially disadvantaged group

In this paragraph, the term “socially disadvantaged group” has the meaning given the term in section 2003(e) of this title.

(B) Reservation of funds

(i) In general

If the total amount appropriated under paragraph (12) for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives—

(I) that serve socially disadvantaged groups; and

(II) a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups.

(ii) Insufficient applications

To the extent there are insufficient applications to carry out clause (i), the Secretary shall use the funds as otherwise authorized by this subsection.

(12) Interagency working group

Not later than 90 days after February 7, 2014, the Secretary shall coordinate and chair an interagency working group to foster cooperative development and ensure coordination with Federal agencies and national and local cooperative organizations that have cooperative programs and interests.

(13) Authorization of appropriations

There are authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2014 through 2018.

(f) Grants to broadcasting systems

(1) “Statewide” defined

In this subsection, the term “statewide” means having a coverage area of not less than 90 percent of the population of a State and not less than 80 percent of the rural land area of the State (as determined by the Secretary).

(2) Grants

The Secretary may make grants to statewide private nonprofit public television systems, whose coverage area is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Grants available under this paragraph may be used for capital equipment expenditures,

start-up and program costs, and other costs necessary to the operation of such demonstrations.

(3) Authorization of appropriations

There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2012.

(g) Business and industry direct and guaranteed loans

(1) Definition of business and industry loan

In this subsection, the term “business and industry loan” means a business and industry direct or guaranteed loan that is made or guaranteed by the Secretary under subsection (a)(2)(A), including guarantees described in paragraph (3)(A)(ii).

(2) Loan guarantees for the purchase of cooperative stock

(A) In general

The Secretary may guarantee a business and industry loan to individual farmers or ranchers for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.

(B) Processing contracts during initial period

A cooperative described in subparagraph (A) for which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

(C) Financial information

Financial information required by the Secretary from a farmer or rancher as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

(3) Loans to cooperatives

(A) Eligibility

(i) In general

The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area or a loan guarantee that meets the requirements of paragraph (6).

(ii) Equity

The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) Refinancing

A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

(i) the cooperative organization—

(I) is current and performing with respect to the existing loan; and

(II) is not, and has not been, in payment default, or the collateral of which has not been converted, with respect to the existing loan; and

(ii) there is adequate security or full collateral for the refinanced loan.

(4) Loan appraisals

The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

(5) Fees

The Secretary may assess a 1-time fee for any guaranteed business and industry loan in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.

(6) Loan guarantees in nonrural areas

(A) In general

The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

(i) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;

(ii) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

(iii) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(B) Principal amounts

The principal amount of a business and industry loan guaranteed under this paragraph may not exceed \$25,000,000.

(7) Intangible assets

(A) In general

In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

(B) Accounts receivable

In the discretion of the Secretary, 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, the Secretary may take

accounts receivable as security for the obligations entered into in connection with loans and a borrower may use accounts receivable as collateral to secure a loan made or guaranteed under this subsection.

(8) Limitations on loan guarantees for cooperative organizations

(A) Principal amount

(i) In general

Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed \$40,000,000.

(ii) Use

To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the any such loan in excess of \$25,000,000 shall be used to carry out a project that—

(I)(aa) is in a rural area; and

(bb) provides for the value-added processing of agricultural commodities; or

(II) significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) Applications

If a cooperative organization submits an application for a guarantee under this subsection of a business and industry loan with a principal amount that is in excess of \$25,000,000, the Secretary—

(i) shall review and, if appropriate, approve the application; and

(ii) may not delegate the approval authority.

(C) Maximum amount

The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of \$25,000,000 may not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(9) Locally or regionally produced agricultural food products

(A) Definitions

In this paragraph:

(i) Locally or regionally produced agricultural food product

The term “locally or regionally produced agricultural food product” means any agricultural food product that is raised, produced, and distributed in—

(I) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or

(II) the State in which the product is produced.

(ii) Underserved community

The term “underserved community” means a community (including an urban

or rural community and an Indian tribal community) that has, as determined by the Secretary—

(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and

(II) a high rate of hunger or food insecurity or a high poverty rate.

(B) Loan and loan guarantee program

(i) In general

The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm and ranch income.

(ii) Requirement

The recipient of a loan or loan guarantee under clause (i) shall include in an appropriate agreement with retail and institutional facilities to which the recipient sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally or regionally produced agricultural food products.

(iii) Priority

In making or guaranteeing a loan under clause (i), the Secretary shall give priority to projects that have components benefiting underserved communities.

(iv) Reservation of funds

(I) In general

For each of fiscal years 2008 through 2018, the Secretary shall reserve not less than 5 percent of the funds made available to carry out this subsection to carry out this subparagraph.

(II) Availability of funds

Funds reserved under subclause (I) for a fiscal year shall be reserved until April 1 of the fiscal year.

(h) Loan guarantees for certain loans

The Secretary may guarantee loans made under subsection (a) to finance the issuance of bonds for the projects described in section 1926(a)(24) of this title.

(i) Appropriate technology transfer for rural areas program

(1) Definition of national nonprofit agricultural assistance institution

In this subsection, the term “national nonprofit agricultural assistance institution” means an organization that—

(A) is described in section 501(c)(3) of title 26 and exempt from taxation under² 501(a) of that title;

(B) has staff and offices in multiple regions of the United States;

² So in original. The word “section” probably should appear.

(C) has experience and expertise in operating national agriculture technical assistance programs;

(D) expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and

(E) improves the economic viability of agricultural operations.

(2) Establishment

The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to—

(A) reduce input costs;

(B) conserve energy resources;

(C) diversify operations through new energy crops and energy generation facilities; and

(D) expand markets for agricultural commodities produced by the producers by using practices that enhance the environment, natural resource base, and quality of life.

(3) Implementation

(A) In general

The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance institution.

(B) Grant amount

A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

(4) Authorization of appropriations

There are authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2018.

(j) Rural economic area partnership zones

Effective beginning on the date of enactment of this subsection through September 30, 2018, the Secretary shall carry out those rural economic area partnership zones administratively in effect on the date of enactment of this subsection in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.

(Pub. L. 87-128, title III, §310B, as added Pub. L. 92-419, title I, §118(a), Aug. 30, 1972, 86 Stat. 663; amended Pub. L. 91-524, title VIII, §817, as added Pub. L. 93-86, §1(27)(B), Aug. 10, 1973, 87 Stat. 241; Pub. L. 95-113, title XV, §1503(b), Sept. 29, 1977, 91 Stat. 1021; Pub. L. 95-334, title I, §112, Aug. 4, 1978, 92 Stat. 424; Pub. L. 96-358, §5, Sept. 25, 1980, 94 Stat. 1187; Pub. L. 96-438, §1(2), Oct. 13, 1980, 94 Stat. 1871; Pub. L. 99-409, §2, Aug. 28, 1986, 100 Stat. 923; Pub. L. 100-203, title I, §1504, Dec. 22, 1987, 101 Stat. 1330-28; Pub. L. 101-624, title XXIII, §§2325, 2337, 2347, formerly 2347(a), 2386, 2388(b), (c), Nov. 28, 1990, 104 Stat. 4013, 4022, 4034, 4051, 4052; Pub. L. 102-237, title VII, §701(c), (h)(1)(C), (D), Dec. 13, 1991, 105 Stat. 1879, 1880; Pub. L. 102-552, title V, §516(d), Oct. 28, 1992, 106

Stat. 4137; Pub. L. 102-554, §6, Oct. 28, 1992, 106 Stat. 4144; Pub. L. 104-127, title VI, §§635(b), 661(d), title VII, §§705(1), 747(a), 759B, Apr. 4, 1996, 110 Stat. 1093, 1107, 1112, 1125, 1138; Pub. L. 104-180, title VII, §731, Aug. 6, 1996, 110 Stat. 1600; Pub. L. 107-171, title VI, §§6007(b), 6013-6017, May 13, 2002, 116 Stat. 355, 358, 359; Pub. L. 110-234, title VI, §§6012(a), (b)(2), 6013-6017, May 22, 2008, 122 Stat. 1164-1169; Pub. L. 110-246, §4(a), title VI, §§6012(a), (b)(2), 6013-6017, June 18, 2008, 122 Stat. 1664, 1925, 1927-1931; Pub. L. 113-79, title VI, §§6010(a), (b), 6011, 6012(a), 6013-6016, Feb. 7, 2014, 128 Stat. 843-845; Pub. L. 113-188, title I, §101(c), Nov. 26, 2014, 128 Stat. 2017.)

REFERENCES IN TEXT

The Federal Nonnuclear Energy Research and Development Act of 1974, as amended, referred to in subsec. (a)(1)(B), is Pub. L. 93-577, Dec. 31, 1974, 88 Stat. 1878, which is classified generally to chapter 74 (§5901 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 5901 of Title 42 and Tables.

For definition of “this chapter”, referred to in subsec. (d)(5), (7), see note set out under section 1921 of this title.

Title V of the Housing Act of 1949, referred to in subsec. (d)(7), is title V of act July 15, 1949, ch. 338, 63 Stat. 432, as amended, which is classified generally to subchapter III (§1471 et seq.) of chapter 8A of Title 42, The Public Health and Welfare. For complete classification of this Act to the code, see References in Text note set out under section 1441 of Title 42 and Tables.

The date of enactment of this subsection, referred to in subsec. (j), is the date of enactment of Pub. L. 110-246, which was approved June 18, 2008.

CODIFICATION

In subsec. (d)(7), “chapter 11 of title 31” substituted for “the Budget and Accounting Act of 1921 [31 U.S.C. 1 et seq.]” on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

The authorities provided by each provision of, and each amendment made by, Pub. L. 110-246, as in effect on Sept. 30, 2012, to continue, and the Secretary of Agriculture to carry out the authorities, until the later of Sept. 30, 2013, or the date specified in the provision of, or amendment made by, Pub. L. 110-246, see section 701(a) of Pub. L. 112-240, set out in a 1-Year Extension of Agricultural Programs note under section 8701 of this title.

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

2014—Subsec. (a)(2)(A). Pub. L. 113-79, §6010(a), inserted “(including through the financing of working capital)” after “employment”.

Subsec. (b). Pub. L. 113-79, §6011, designated existing provisions as par. (1), inserted heading, and added par. (2).

Subsec. (c). Pub. L. 113-79, §6012(a), added subsec. (c) and struck out former subsec. (c) which related to rural business enterprise grants.

Subsec. (e)(12), (13). Pub. L. 113-79, §6013, added par. (12), redesignated former par. (12) as (13), and substituted “\$40,000,000 for each of fiscal years 2014 through 2018” for “\$50,000,000 for each of fiscal years 2008 through 2012”.

Subsec. (g)(7). Pub. L. 113-79, §6010(b), designated existing provisions as subpar. (A), inserted heading, and added subpar. (B).

Subsec. (g)(9)(B)(iv), (v). Pub. L. 113-188 redesignated cl. (v) as (iv) and struck out former cl. (iv) which re-

quired annual reports describing projects carried out using loans or loan guarantees made under cl. (i).

Subsec. (g)(9)(B)(v)(I). Pub. L. 113-79, § 6014, substituted “2018” for “2012”.

Subsec. (i)(4). Pub. L. 113-79, § 6015, substituted “2018” for “2012”.

Subsec. (j). Pub. L. 113-79, § 6016, substituted “2018” for “2012”.

2008—Pub. L. 110-246, § 6012(a)(1), inserted section catchline.

Subsec. (a). Pub. L. 110-246, § 6012(a)(1), (2), inserted subsec. heading, inserted par. (1) heading and introductory provisions, designated former fourth sentence as subpar. (A), inserted subpar. heading, substituted “The” for “As used in this subsection, the”, designated former second sentence as subpar. (B), inserted subpar. heading, substituted “The” for “For the purposes of this subsection, the”, designated former first sentence as par. (2), inserted par. heading, in introductory provisions, substituted “The Secretary may” for “The Secretary may also” and inserted “and private investment funds that invest primarily in cooperative organizations” after “nonprofit”, redesignated former cls. (1) to (4) as subpars. (A) to (D), respectively, designated former third sentence as par. (3), inserted par. heading, substituted “Loans described in paragraph (2)” for “Such loans”, and designated former fifth sentence as par. (4) and inserted par. heading.

Subsec. (e)(5)(A). Pub. L. 110-246, § 6013(a)(1), substituted “carrying out activities to promote and assist the development of cooperatively and mutually owned businesses” for “administering a nationally coordinated, regionally or State-wide operated project”.

Subsec. (e)(5)(B). Pub. L. 110-246, § 6013(a)(2), inserted “to promote and assist the development of cooperatively and mutually owned businesses” before semicolon at end.

Subsec. (e)(5)(D), (E). Pub. L. 110-246, § 6013(a)(3)–(6), added subpar. (E), redesignated former subpar. (E) as (D), struck out “and” at end, and struck out former subpar. (D) which read as follows: “demonstrate the ability to create horizontal linkages among businesses within and among various sectors in rural areas of the United States and vertical linkages to domestic and international markets;”.

Subsec. (e)(5)(F). Pub. L. 110-246, § 6013(a)(7), struck out “greater than” before “a 25 percent”.

Subsec. (e)(6). Pub. L. 110-246, § 6013(b), added par. (6) and struck out former par. (6). Prior to amendment, text read as follows: “The Secretary shall make grants under this subsection for a period of 1 year. The Secretary shall evaluate programs receiving assistance under this subsection. If the Secretary determines it to be in the best interest of the program, the Secretary may award an additional grant to the program for the immediately succeeding year without application for the grant.”

Subsec. (e)(7) to (12). Pub. L. 110-246, § 6013(c)–(f), added pars. (7), (10), and (11), redesignated former pars. (7) to (9) as (8), (9), and (12), respectively, and in par. (12), substituted “2008 through 2012” for “1996 through 2007”.

Subsec. (f)(3). Pub. L. 110-246, § 6014, substituted “2008 through 2012” for “2002 through 2007”.

Subsec. (g)(1). Pub. L. 110-246, § 6012(a)(3)(A), (b)(2), substituted “subsection (a)(2)(A)” for “subsection (a)(1)” and inserted “, including guarantees described in paragraph (3)(A)(ii)” before period at end.

Subsec. (g)(3)(A). Pub. L. 110-246, § 6012(a)(3)(B), substituted “Eligibility” for “In general” in subpar. heading, designated existing provisions as cl. (i), inserted heading, and added cl. (ii).

Subsec. (g)(6)(A)(iii). Pub. L. 110-246, § 6012(b)(2), substituted “subsection (a)(2)(A)” for “subsection (a)(1)”.

Subsec. (g)(8)(A)(ii). Pub. L. 110-246, § 6012(a)(3)(C), inserted “that” after “project” in introductory provisions, added subcls. (I) and (II), and struck out former subcls. (I) and (II) which read as follows:

“(I) in a rural area; and

“(II) that provides for the value-added processing of agricultural commodities.”

Subsec. (g)(8)(C). Pub. L. 110-246, § 6012(b)(2), substituted “subsection (a)(2)(A)” for “subsection (a)(1)”.

Subsec. (g)(9). Pub. L. 110-246, § 6015, added par. (9).

Subsecs. (i), (j). Pub. L. 110-246, §§ 6016, 6017, added subsecs. (i) and (j).

2002—Subsec. (a)(3). Pub. L. 107-171, § 6013, inserted “and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation)” after “solar energy systems”.

Subsec. (c)(1). Pub. L. 107-171, § 6014, substituted “Grants” for “In general” in heading, designated existing provisions as subpar. (A) and inserted heading, and added subpar. (B).

Subsec. (e)(5)(F). Pub. L. 107-171, § 6015(1), inserted “, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382))” before period at end.

Subsec. (e)(9). Pub. L. 107-171, § 6015(2), substituted “2007” for “2002”.

Subsec. (f)(3). Pub. L. 107-171, § 6016, added par. (3).

Subsec. (g). Pub. L. 107-171, § 6017, added subsec. (g) and struck out heading and text of former subsec. (g). Text read as follows:

“(1) DEFINITION OF FARMER.—In this subsection, the term ‘farmer’ means any farmer that the Secretary determines is a family farmer.

“(2) LOAN GUARANTEES.—The Secretary may guarantee loans under this section to individual farmers for the purpose of purchasing start-up capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

“(3) ELIGIBILITY.—To be eligible for a loan guarantee under this subsection, a farmer must produce the agricultural commodity that will be processed by the cooperative.”

Subsec. (h). Pub. L. 107-171, § 6007(b), added subsec. (h).

1996—Subsec. (a). Pub. L. 104-127, § 747(a)(1), in first sentence, struck out “and” before “(3)” and inserted before period at end “, and (4) to facilitate economic opportunity for industries undergoing adjustment from terminated Federal agricultural price and income support programs or increased competition from foreign trade”.

Pub. L. 104-127, § 635(b), in third sentence, substituted “(4) of” for “(3) of”.

Subsec. (b). Pub. L. 104-127, § 747(a)(2), inserted heading, redesignated par. (2) as subsec. (b), struck out “(2)” before “The Secretary”, and struck out par. (1) which read as follows: “Secretary may make grants, not to exceed \$50,000,000 annually, to eligible applicants under this section for pollution abatement and control projects in rural areas. No such grant shall exceed 50 per centum of the development cost of such a project.”

Subsec. (c). Pub. L. 104-127, § 747(a)(3), inserted heading, in par. (1), inserted par. heading and inserted “(including nonprofit entities)” after “private business enterprises”, in par. (2), inserted par. heading and substituted “award grants on a competitive basis” for “make grants”, and added par. (3).

Subsec. (d)(2) to (4). Pub. L. 104-127, § 661(d)(1), substituted “provision of this section” for “provision of this section and sections 1924(b) and 1942(b) of this title”.

Subsec. (d)(6). Pub. L. 104-127, § 661(d)(2), substituted “this section” for “this section, section 1924 of this title, or section 1942 of this title”.

Subsec. (e). Pub. L. 104-127, § 747(a)(4), added subsec. (e) and struck out former subsec. (e) which authorized the insuring or guaranteeing of loans for the purpose of constructing or improving subterminal facilities.

Subsec. (e)(2). Pub. L. 104-180 amended Pub. L. 104-127, § 747(a)(4), which enacted subsec. (e), to insert “effective October 1, 1996,” after “The Secretary shall make grants” in par. (2).

Subsec. (f). Pub. L. 104-127, § 759B, added par. (1), redesignated existing provisions as par. (2), and added par. heading.

Pub. L. 104-127, § 747(a)(5), (6), redesignated subsec. (j) as (f) and struck out former subsec. (f) which authorized grants to nonprofit institutions for the purpose of establishing and operating centers for rural technology or cooperative development. See subsec. (e) of this section.

Pub. L. 104-127, § 705(1), made technical amendment to directory language of Pub. L. 101-624, § 2347(a). See 1990 Amendment note below.

Subsec. (g). Pub. L. 104-127, § 747(a)(5), (7), added subsec. (g) and struck out former subsec. (g) which read as follows: "In carrying out subsection (f) of this section, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment or underemployment of persons residing in economically distressed rural areas that the Secretary determines have a substantial need for such assistance. Such assistance shall include planning and feasibility studies, management and operational assistance, and studies evaluating the needs for development potential of projects that increase employment and improve economic growth in such areas."

Pub. L. 104-127, § 705(1), made technical amendment to directory language of Pub. L. 101-624, § 2347(a). See 1990 Amendment note below.

Subsec. (h). Pub. L. 104-127, § 747(a)(5), struck out subsec. (h) which read as follows: "The Secretary may make grants to defray not to exceed 75 percent of the administrative costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under subsection (f) of this section. For purposes of determining the non-Federal share of such costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including but not limited to premises, equipment, and services."

Pub. L. 104-127, § 705(1), made technical amendment to directory language of Pub. L. 101-624, § 2347(a). See 1990 Amendment note below.

Subsec. (i). Pub. L. 104-127, § 747(a)(5), struck out subsec. (i) which authorized making of loans at low interest rates and at market rates to 1 or more businesses, local governments, or public agencies in rural areas to fund facilities in which recipients of such loans share telecommunications terminal equipment, computers, computer software, and computer hardware.

Subsec. (j). Pub. L. 104-127, § 747(a)(6), redesignated subsec. (j) as (f).

1992—Subsec. (c). Pub. L. 102-554 designated existing provisions as par. (1) and added par. (2).

Pub. L. 102-552, which directed the substitution of "business enterprises or the creation, expansion, and operation of rural distance learning networks or rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students," for "business enterprises," in section 310B(c) without specifying the name of the act, was executed to this section, which is section 310B of the Consolidated Farm and Rural Development Act, to reflect the probable intent of Congress.

1991—Subsec. (d)(5), (7). Pub. L. 102-237, § 701(h)(1)(C), (D), substituted "this chapter" for "this Act".

Subsec. (f)(4). Pub. L. 102-237, § 701(c)(3), (4), redesignated par. (4), relating to grants to statewide private nonprofit public television systems, as subsec. (j), and transferred such provision to follow subsec. (i).

Subsec. (i)(2)(B)(iv). Pub. L. 102-237, § 701(c)(1), substituted "(iii) of this subparagraph" for "(ii) of this subsection".

Subsec. (i)(5)(A). Pub. L. 102-237, § 701(c)(2), inserted closing parenthesis after "section 2008(b)(3) of this title".

Subsec. (j). Pub. L. 102-237, § 701(c)(3)-(5), redesignated subsec. (f)(4), relating to grants to statewide private nonprofit public television systems, as subsec. (j), transferred such provision to follow subsec. (i), and inserted heading.

1990—Subsec. (a). Pub. L. 101-624, § 2388(b), substituted "paragraphs (1) and (3)" for "subsections (a) and (c)".

Subsec. (b). Pub. L. 101-624, § 2325, designated existing provisions as par. (1) and added par. (2).

Subsec. (d). Pub. L. 101-624, § 2388(c), designated first par. and pars. (1) to (6) as (1) to (7), respectively, substituted "paragraphs (2) and (3)" for "paragraph (1) and (2)" in par. (4), and realigned margins of pars. (5) to (7).

Subsec. (f). Pub. L. 101-624, § 2386, added par. (4) relating to grants to statewide private nonprofit public television systems.

Pub. L. 101-624, § 2347, formerly § 2347(a), as renumbered by Pub. L. 104-127, § 705(1), added subsec. (f) and struck out former subsec. (f) which read as follows:

"(1) The Secretary may make grants under this subsection to public and nonprofit private institutions for the purpose of enabling them to establish and operate centers of rural technology development that have, as a primary objective, the improvement of the economic condition of rural areas by promoting the development (through technological innovation and adaptation of existing technology) and commercialization of (A) new products that can be produced in rural areas, and (B) new processes that can be used in such production.

"(2) Grants under this subsection may be made on a competitive basis. In making grants, the Secretary shall give preference to applicants that will establish centers for rural technology in areas that have (A) few industries and agribusinesses, (B) high levels of unemployment, (C) high rates of out-migration of people, business, and industries, and (D) low levels of per capita income.

"(3) If grants are to be made under this subsection, the Secretary shall issue regulations implementing this subsection that shall include provisions for the monitoring and evaluation of the rural technology development activities carried out by institutions that receive grants under this subsection."

Subsecs. (g), (h). Pub. L. 101-624, § 2347, formerly § 2347(a), as renumbered by Pub. L. 104-127, § 705(1), added subsecs. (g) and (h).

Subsec. (i). Pub. L. 101-624, § 2337, added subsec. (i). 1987—Subsec. (c). Pub. L. 100-203 inserted "and private nonprofit corporations" after "to public bodies" and substituted "to finance and facilitate development of small and emerging" for "to facilitate development of".

1986—Subsec. (a). Pub. L. 99-409, § 2(1), inserted provision that no loan may be made, insured, or guaranteed under this subsection that exceeds \$25,000,000 in principal amount.

Subsec. (f). Pub. L. 99-409, § 2(2), added subsec. (f).

1980—Subsec. (a). Pub. L. 96-438 authorized the Secretary to make and insure loans for the purpose of reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems, including the modification of existing systems, in rural areas and defined term "solar energy", for purposes of subsection (a) of this section, as meaning energy derived from sources, other than fossil fuels, and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974, as amended.

Subsec. (e). Pub. L. 96-358 added subsec. (e).

1978—Subsec. (d)(1), (2). Pub. L. 95-334, § 112(1), inserted exception for assistance less than \$1,000,000, or where direct employment will not be increased by more than 50 employees.

Subsec. (d)(3). Pub. L. 95-334, § 112, inserted exception for assistance less than \$1,000,000, or where direct employment will not be increased by more than 50 employees and substituted "30" for "60".

1977—Subsec. (a). Pub. L. 95-113 inserted reference to the conservation, development, and utilization of water for aquaculture purposes and inserted definition of "aquaculture".

1973—Subsec. (d)(4) to (6). Pub. L. 91-524, § 817, as added by Pub. L. 93-86, added pars. (4) to (6).

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 OF 1996 AMENDMENT

Pub. L. 104-180, title VII, §731, Aug. 6, 1996, 110 Stat. 1600, provided in part: "That this section [amending this section] shall take effect upon enactment of this Act into law [Aug. 6, 1996]."

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by section 701(c) of Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, and amendment by section 701(h)(1)(C), (D) of Pub. L. 102-237 to any provision specified therein effective as if included in Act that added provision so specified at the time such Act became law, see section 1101(b)(6), (c) of Pub. L. 102-237, set out as a note under section 1421 of this title.

EFFECTIVE DATE OF 1986 AMENDMENT

Pub. L. 99-409, §2(2), Aug. 28, 1986, 100 Stat. 923, provided that the amendment made by section 2(2) is effective Oct. 1, 1986.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-358 effective Oct. 1, 1980, see section 6 of Pub. L. 96-358, set out as an Effective Date note under section 3701 of this title.

EFFECTIVE DATE OF 1977 AMENDMENT

Amendment by Pub. L. 95-113 effective Oct. 1, 1977, see section 1901 of Pub. L. 95-113, set out as a note under section 1307 of this title.

TRANSFER OF FUNCTIONS

Powers, duties, and assets of agencies, offices, and other entities within Department of Agriculture relating to rural development functions under this section and under section 1323 of Pub. L. 99-198, set out as a note below, transferred to Rural Development Administration by section 2302(b) of Pub. L. 101-624.

REGULATIONS

Pub. L. 113-79, title VI, §6010(c), Feb. 7, 2014, 128 Stat. 843, provided that: "Not later than 180 days after the date of enactment of this Act [Feb. 7, 2014], the Secretary [of Agriculture] shall promulgate such regulations as are necessary to implement the amendments made by this section."

BUSINESS DEVELOPMENT

Pub. L. 101-624, title XXIII, §2336, Nov. 28, 1990, 104 Stat. 4022, provided that: "The purposes of this chapter [chapter 2 (§§2336, 2337) of subtitle D of title XXIII of Pub. L. 101-624, amending this section] are to—

"(1) provide funds to improve telecommunications service in rural areas; and

"(2) provide access to advanced telecommunications services and computer networks to improve job opportunities and the business environment in rural areas."

GUARANTEE BY SECRETARY OF AGRICULTURE OF LOANS TO NONPROFIT NATIONAL RURAL DEVELOPMENT AND FINANCE CORPORATIONS

Pub. L. 99-198, title XIII, §1323, Dec. 23, 1985, 99 Stat. 1534, as amended by Pub. L. 99-425, title IV, §407(c), Sept. 30, 1986, 100 Stat. 971; Pub. L. 99-500, §101(a) [title VI, §641], Oct. 18, 1986, 100 Stat. 1783, 1783-35, and Pub. L. 99-591, §101(a) [title VI, §641], Oct. 30, 1986, 100 Stat. 3341, 3341-35; Pub. L. 100-202, §101(k) [title VI, §636], Dec. 22, 1987, 101 Stat. 1329-322, 1329-357; Pub. L. 113-79, title VI, §6017(b), Feb. 7, 2014, 128 Stat. 846, provided that:

"(a)(1) Prior to September 30, 1988, the Secretary of Agriculture (hereafter in this section referred to as the 'Secretary') shall guarantee loans made by public agencies or private organizations (including loans made by

financial institutions such as insurance companies) to nonprofit national rural development and finance corporations that establish similar and affiliated statewide rural development and finance programs for the purpose of providing loans, guarantees, and other financial assistance to profit or nonprofit local businesses to improve business, industry, and employment opportunities in a rural area (as determined by the Secretary).

"(2) To be eligible to obtain a loan guarantee under this subsection, a corporation must—

"(A) demonstrate to the Secretary the ability of the corporation to administer a national revolving rural development loan program;

"(B) be prepared to commit financial resources under the control of the corporation to the establishment of affiliated statewide rural development and finance programs; and

"(C) have secured commitments of significant financial support from public agencies and private organizations for such affiliated statewide programs.

"(3) A national rural development and finance corporation receiving a loan guarantee under this subsection shall base a determination to establish an affiliated statewide program in large part on the willingness of States and private organizations to sponsor and make funds available to such program.

"(4) Notwithstanding any other provision of law, for the fiscal year ending September 30, 1986, of the amounts available to guarantee loans in accordance with section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) from the Rural Development Insurance Fund, \$20,000,000 shall be used by the Secretary to guarantee loans under the national rural development and finance program established under this subsection, to remain available until expended.

"(5) Notwithstanding any provision to the contrary of subsection (4) above, the \$20,000,000 which was available pursuant to subsection (4) shall continue to be available and shall be used by the Secretary prior to September 30, 1988, to guarantee loans for the national rural development and finance program and shall remain available until expended.

"(b)(1) Prior to September 30, 1988, the Secretary shall make grants, from funds transferred under paragraph (2), to national rural development and finance corporations for the purpose of establishing a rural development program to provide financial and technical assistance to compliment [sic] the loan guarantees made or to be made to such corporations under subsection (a).

"(2) All funds in, appropriated to, or repaid to the Rural Development Loan Fund, including those on deposit and available upon date of enactment [Dec. 23, 1985], under sections 623 and 633 [42 U.S.C. 9812, 9822] of the Community Economic Development Act of 1981 (42 U.S.C. 9801 et seq.) shall be transferred to the Secretary provided that—

"(A) all funds on deposit and available on date of enactment shall be used for the purpose of making grants under paragraph (1) and shall remain available until expended; and

"(B) notwithstanding any other provision of law, all loans to intermediary borrowers made prior to date of enactment, shall upon date of enactment, for the life of such loan, bear a rate of interest not to exceed that in effect upon the date of issuance of such loans."

Pub. L. 99-500, §101(a) [title VI, §641], Oct. 18, 1986, 100 Stat. 1783, 1783-35, and Pub. L. 99-591, §101(a) [title VI, §641], Oct. 30, 1986, 100 Stat. 3341, 3341-35, provided in part: "That such grant funds [probably means grant funds under section 1323(b)(1) of Pub. L. 99-198, set out above] may be used by such corporation to provide technical assistance and financial assistance, including capitalizing revolving loan programs, pursuant to the Act."

LIMITS ON GRANTS FOR FISCAL YEARS 1982, 1983, AND 1984

Pub. L. 97-35, title I, §120, Aug. 13, 1981, 95 Stat. 367, provided in part that, notwithstanding any other provi-

sion of law, there was authorized to be appropriated for grants pursuant to section 310B(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) not to exceed: \$5,007,000 for fiscal year 1982, \$5,280,000 for fiscal year 1983, and \$5,553,000 for fiscal year 1984.

§ 1933. Guaranteed rural housing loans; Hawaiian home lands

(a) Rural Housing Loans which (1) are guaranteed by the Secretary under section 517(a)(2)¹ of the Housing Act of 1949 [42 U.S.C. 1487(a)(2)], (2) are made by other lenders approved by the Secretary to provide dwellings in rural areas for the applicants' own use, and (3) bear interest and other charges at rates not above the maximum rates prescribed by the Secretary of Housing and Urban Development for loans made by private lenders for similar purposes and guaranteed by the Secretary of Housing and Urban Development under the National Housing Act [12 U.S.C. 1701 et seq.] or superseding legislation shall not be subject to sections 501(c) and 502(b)(3) of the Housing Act of 1949 [42 U.S.C. 1471(c) and 1472(b)(3)].

(b) For the purposes of title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.] or this chapter, a guarantee of payment given under the color of law by the Department of Hawaiian Home Lands (or its successor in function) shall be found by the Secretary reasonably to assure repayment of any indebtedness so guaranteed.

(Pub. L. 87-128, title III, §310C, as added Pub. L. 92-419, title I, §119, Aug. 30, 1972, 86 Stat. 664; amended Pub. L. 101-624, title XVIII, §1804, Nov. 28, 1990, 104 Stat. 3819.)

REFERENCES IN TEXT

Section 517(a) of the Housing Act of 1949 [42 U.S.C. 1487(a)], referred to in subsec. (a), was amended by Pub. L. 98-181, title I [title V, §514(a)(1)], Nov. 30, 1983, 98 Stat. 1247, and, as so amended, does not contain a par. (2).

The National Housing Act, referred to in subsec. (a), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended, which is classified principally to chapter 13 (§1701 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see References in Text note set out under section 1701 of Title 12 and Tables.

Title V of the Housing Act of 1949, referred to in subsec. (b), is title V of act July 15, 1949, ch. 338, 63 Stat. 432, as amended, which is classified generally to subchapter III (§1471 et seq.) of chapter 8A of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see References in Text note set out under section 1441 of Title 42 and Tables.

For definition of "this chapter", referred to in subsec. (b), see note set out under section 1921 of this title.

AMENDMENTS

1990—Subsec. (b). Pub. L. 101-624 substituted "or this chapter" for " , as amended".

§ 1934. Low-income farm ownership loan program; eligibility; repayment requirements

(a) The Secretary is authorized to make and insure loans for any of the purposes referred to in section 1923(a) of this title, or paragraphs (1) through (5) of section 1924(a) of this title, to farmers and ranchers in the United States who (1) are citizens of the United States, (2) meet the

requirements of paragraphs (2) through (4) of section 1922 of this title, (3) are unable to obtain sufficient credit under section 1922 of this title to finance their actual needs, (4) are owners or operators of small or family farms (including new owners or operators), (5) are farmers or ranchers with a low income, and (6) demonstrate a need to maximize their income from farming or ranching operations. The Secretary is also authorized to make such loans to any farm cooperative or private domestic corporation or partnership, or such other legal entities as the Secretary considers appropriate, that is controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States if all of its members, stockholders, partners, or owners, as applicable, are citizens of the United States and the entity and all such members, stockholders, partners, or owners meet the requirements of paragraphs (2) through (6) of the preceding sentence.

(b) Each loan made or insured under this section shall be repayable in such installments as the Secretary determines will provide for reduced payments during the initial repayment period of the loan and larger payments during the remainder of the repayment period of the loan.

(Pub. L. 87-128, title III, §310D, as added Pub. L. 95-334, title I, §113, Aug. 4, 1978, 92 Stat. 424; amended Pub. L. 101-624, title XVIII, §1802(b), Nov. 28, 1990, 104 Stat. 3818; Pub. L. 102-552, title V, §516(e)(1), Oct. 28, 1992, 106 Stat. 4137; Pub. L. 104-127, title VI, §661(e), Apr. 4, 1996, 110 Stat. 1107; Pub. L. 113-79, title V, §5001(c)(2), Feb. 7, 2014, 128 Stat. 833.)

AMENDMENTS

2014—Subsec. (a). Pub. L. 113-79 inserted " , or such other legal entities as the Secretary considers appropriate," after "partnership" and substituted "partners, or owners" for "or partners" in two places.

1996—Subsec. (a). Pub. L. 104-127 substituted "section 1923(a) of this title, or paragraphs (1) through (5) of section 1924(a) of this title" for "paragraphs (1) through (5) of section 1923(a) of this title, or subparagraphs (A) through (E) of section 1924(a)(1) of this title".

1992—Subsec. (a). Pub. L. 102-552 substituted "1924(a)(1)" for "1924(d)(1)".

1990—Subsec. (a). Pub. L. 101-624 substituted "paragraphs (1) through (5) of section 1923(a) of this title, or subparagraphs (A) through (E) of section 1924(d)(1) of this title," for "clauses (1) through (5) of section 1923(a) of this title", substituted "paragraphs" for "clauses" before "(2) through (4) of section", made technical amendment to reference to section 1922 of this title which required no change in text, and substituted "paragraphs" for "clauses" before "(2) through (6) of the".

EFFECTIVE DATE OF 1992 AMENDMENT

Pub. L. 102-552, title V, §516(e)(2), Oct. 28, 1992, 106 Stat. 4137, provided that: "The amendment made by paragraph (1) of this subsection [amending this section] shall take effect at the same time as the amendments made by section 501(a) of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 105 Stat. 1865) [amending section 1924 of this title] took effect."

§ 1935. Down payment loan program

(a) In general

(1) Establishment

Notwithstanding any other section of this subchapter, the Secretary shall establish,

¹ See References in Text note below.