

ments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than 50 per centum of loan made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

(Pub. L. 93-262, title I, §102, Apr. 12, 1974, 88 Stat. 78.)

§ 1463. Repayment of loan; financing from other sources

Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

(Pub. L. 93-262, title I, §103, Apr. 12, 1974, 88 Stat. 78.)

§ 1464. Maturity of loans; interest rate; interest deferral on educational loans

Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

(Pub. L. 93-262, title I, §104, Apr. 12, 1974, 88 Stat. 78.)

§ 1465. Modification of amount of loan and document securing loan in collection of loan or in best interests of the United States

The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this subchapter and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States. He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

(Pub. L. 93-262, title I, §105, Apr. 12, 1974, 88 Stat. 78; Pub. L. 98-449, §3, Oct. 4, 1984, 98 Stat. 1725.)

AMENDMENTS

1984—Pub. L. 98-449 struck out proviso at end of first sentence which provided that proceedings pursuant to this section would be effective only after following the procedure set out in section 386a of this title.

§ 1466. Land and personal property title

Title to any land purchased by a tribe or by an individual Indian with loans made from the re-

volving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

(Pub. L. 93-262, title I, §106, Apr. 12, 1974, 88 Stat. 78.)

§ 1467. Security for loan; assignment of securities; reasonable assurance of repayment

Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

(Pub. L. 93-262, title I, §107, Apr. 12, 1974, 88 Stat. 79.)

§ 1468. Authorization of appropriations

There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund \$50,000,000 exclusive of prior authorizations and appropriations.

(Pub. L. 93-262, title I, §108, Apr. 12, 1974, 88 Stat. 79.)

§ 1469. Rules and regulations

The Secretary shall promulgate rules and regulations to carry out the provisions of this subchapter.

(Pub. L. 93-262, title I, §109, Apr. 12, 1974, 88 Stat. 79.)

SUBCHAPTER II—LOAN GUARANTY AND INSURANCE

§ 1481. Loan guaranties and insurance

(a) In general

In order to provide access to private money sources which otherwise would not be available, the Secretary may—

(1) guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a form or organization satisfactory to the Secretary, and to individual Indians; or

(2) insure loans under an agreement approved by the Secretary whereby the lender will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

(b) Eligible borrowers

The Secretary may guarantee or insure loans under subsection (a) to both for-profit and non-profit borrowers.

(Pub. L. 93-262, title II, §201, Apr. 12, 1974, 88 Stat. 79; Pub. L. 98-449, §4, Oct. 4, 1984, 98 Stat. 1725; Pub. L. 109-221, title IV, §401(a), May 12, 2006, 120 Stat. 341.)

AMENDMENTS

2006—Pub. L. 109-221, §401(a)(1), (2), (4), inserted section catchline, designated existing provisions as subsec. (a) and inserted heading, substituted “the Secretary may—

“(1) guarantee”

for “Secretary is authorized (a) to guarantee”, and added subsec. (b).

Pub. L. 109-221, §401(a)(3), which directed substitution of “members; or

“(2) insure”

for “members; and (b) in lieu of such guaranty, to insure”, was executed by making the substitution for “and (b) in lieu of such guaranty, to insure” to reflect the probable intent of Congress and the amendment by Pub. L. 98-449. See 1984 Amendment note below.

1984—Pub. L. 98-449 struck out “who are not members of or eligible for membership in an organization which is making loans to its members” before “; and (b)”.

§ 1482. Premium charges; deposits in Indian Loan Guaranty and Insurance Fund

The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 1497(a) of this title.

(Pub. L. 93-262, title II, §202, Apr. 12, 1974, 88 Stat. 79.)

§ 1483. Interest rate

Loans guaranteed or insured pursuant to this subchapter shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

(Pub. L. 93-262, title II, §203, Apr. 12, 1974, 88 Stat. 79.)

§ 1484. Application for loan; approval by Secretary; issuance of certificate; limitations on amount of loans to individual Indians or economic enterprises; review by Secretary

The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for approval. The Secretary may review each loan application individually and independently from the lender. Upon approval, the Secretary shall issue a certificate as evidence of the guaranty. Such certificate shall be issued only when, in the judgment of the Secretary, there is a reasonable prospect of repayment. No loan to an individual Indian may be guaranteed or insured which would cause the total unpaid principal in-

debtedness to exceed \$500,000. No loan to an economic enterprise (as defined in section 1452 of this title) in excess of \$250,000, or such lower amount as the Secretary may determine to be appropriate, shall be insured unless prior approval of the loan is obtained from the Secretary.

(Pub. L. 93-262, title II, §204, Apr. 12, 1974, 88 Stat. 79; Pub. L. 98-449, §5, Oct. 4, 1984, 98 Stat. 1725; Pub. L. 100-442, §1, Sept. 22, 1988, 102 Stat. 1763; Pub. L. 101-644, title III, §303(b), Nov. 29, 1990, 104 Stat. 4668; Pub. L. 107-331, title I, §103(a), Dec. 13, 2002, 116 Stat. 2836.)

AMENDMENTS

2002—Pub. L. 107-331 substituted “\$250,000” for “\$100,000”.

1990—Pub. L. 101-644 struck out “prior” before “approval” in first sentence and substituted “may review” for “shall review” in second sentence.

1988—Pub. L. 100-442 substituted “\$500,000” for “\$350,000”.

1984—Pub. L. 98-449 substituted “\$350,000” for “\$100,000”, and inserted after first sentence “The Secretary shall review each loan application individually and independently from the lender.”

§ 1485. Sale or assignment of loans and underlying security**(a) In general**

All or any portion of a loan guaranteed or insured under this subchapter, including the security given for the loan—

(1) may be transferred by the lender by sale or assignment to any person; and

(2) may be retransferred by the transferee.

(b) Transfers of loans

With respect to a transfer described in subsection (a)—

(1) the transfer shall be consistent with such regulations as the Secretary shall promulgate under subsection (h); and

(2) the transferee shall give notice of the transfer to the Secretary.

(c) Full faith and credit**(1) In general**

The full faith and credit of the United States is pledged to the payment of all loan guarantees and loan insurance made under this subchapter after December 13, 2002.

(2) Validity

Except as provided in regulations in effect on the date on which a loan is made, the validity of a guarantee or insurance of a loan under this subchapter shall be incontestable.

(d) Damages

Notwithstanding section 3302 of title 31, the Secretary may recover from a lender of a loan under this subchapter any damages suffered by the Secretary as a result of a material breach of the obligations of the lender with respect to a guarantee or insurance by the Secretary of the loan.

(e) Fees**(1) In general**

The Secretary may collect a fee for any loan or guaranteed or insured portion of a loan that is transferred in accordance with this section.