

(C) the probable net benefit to the Federal Government in paying the principal and interest will be greater than that which would result in the event of a default;

(2) the amount of the payment that the Secretary is authorized to pay shall be no greater than the amount of principal and interest that the non-Federal borrower is obligated to pay under the agreement being guaranteed; and

(3) the borrower agrees to reimburse the Secretary for the payment (including interest) on terms and conditions that are satisfactory to the Secretary.

(d) Action by Attorney General

(1) Notification

If the non-Federal borrower defaults on an obligation, the Secretary shall notify the Attorney General of the default.

(2) Recovery

On notification, the Attorney General shall take such action as is appropriate to recover the unpaid principal and interest due from—

(A) such assets of the defaulting non-Federal borrower as are associated with the obligation; or

(B) any other security pledged to secure the obligation.

(Pub. L. 109–451, title II, §205, Dec. 22, 2006, 120 Stat. 3358.)

§ 2425. Operations, maintenance, and replacement costs

(a) In general

The non-Federal share of operations, maintenance, and replacement costs for a project receiving Federal assistance under this subchapter shall be 100 percent.

(b) Plan

On request of the non-Federal borrower, the Secretary may assist in the development of an operation, maintenance, and replacement plan to provide the necessary framework to assist the non-Federal borrower in establishing rates and fees for project beneficiaries.

(Pub. L. 109–451, title II, §206, Dec. 22, 2006, 120 Stat. 3360.)

§ 2426. Title to newly constructed facilities

(a) New projects and facilities

All new projects or facilities constructed in accordance with this subchapter shall remain under the jurisdiction and control of the non-Federal borrower subject to the terms of the repayment agreement.

(b) Existing projects and facilities

Nothing in this subchapter affects the title of—

(1) reclamation projects authorized prior to December 22, 2006;

(2) works supplemental to existing reclamation projects; or

(3) works constructed to rehabilitate existing reclamation projects.

(Pub. L. 109–451, title II, §207, Dec. 22, 2006, 120 Stat. 3360.)

§ 2427. Water rights

(a) In general

Nothing in this subchapter preempts or affects State water law or an interstate compact governing water.

(b) Compliance required

The Secretary shall comply with State water laws in carrying out this subchapter. Nothing in this subchapter affects or preempts State water law or an interstate compact governing water.

(Pub. L. 109–451, title II, §208, Dec. 22, 2006, 120 Stat. 3360.)

§ 2428. Interagency coordination and cooperation

(a) Consultation

The Secretary shall consult with the Secretary of Agriculture before promulgating criteria with respect to financial appraisal functions and loan guarantee administration for activities carried out under this subchapter.

(b) Memorandum of agreement

The Secretary and the Secretary of Agriculture shall enter into a memorandum of agreement providing for Department of Agriculture financial appraisal functions and loan guarantee administration for activities carried out under this subchapter.

(Pub. L. 109–451, title II, §209, Dec. 22, 2006, 120 Stat. 3360.)

§ 2429. Records; audits

(a) In general

A recipient of a loan guarantee shall keep such records and other pertinent documents as the Secretary shall prescribe by regulation, including such records as the Secretary may require to facilitate an effective audit.

(b) Access

The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access, for the purpose of audit, to the records and other pertinent documents.

(Pub. L. 109–451, title II, §210, Dec. 22, 2006, 120 Stat. 3360.)

§ 2430. Full faith and credit

The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

(Pub. L. 109–451, title II, §211, Dec. 22, 2006, 120 Stat. 3360.)

§ 2431. Report

Not later than 1 year after the date on which the eligibility criteria are published in the Federal Register under section 2422(a) of this title, and every 2 years thereafter, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a report that describes the implementation of the loan guarantee program under section 2423 of this title.