

## AMENDMENTS

2008—Pub. L. 110-181, § 3522(b), repealed Pub. L. 109-163, § 3507(a)(1)(H), (3). See 2006 Amendment note below.

Pub. L. 110-181, § 3522(a)(10)(B), (11), incorporated the substance of the amendment by Pub. L. 109-163, § 3507(a)(1)(H), (3), into this section by inserting “or Administrator” after “Secretary” wherever appearing and “or Administrator’s” after “Secretary’s” in subsec. (d)(1). See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109-163, § 3507(a)(1)(H), (3), which directed the amendment of section 1279a of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, § 3522(b). See 2008 Amendment notes and Historical and Revision notes above.

### § 53716. Deposit fund

(a) IN GENERAL.—There is a deposit fund in the Treasury for purposes of this section. The Secretary or Administrator, in accordance with an agreement under subsection (b), may deposit into and hold in the fund cash belonging to an obligor to serve as collateral for a guarantee made under this chapter with respect to the obligor.

(b) AGREEMENT.—The Secretary or Administrator and an obligor shall make a reserve fund or other collateral account agreement to govern the deposit, withdrawal, retention, use, and reinvestment of cash of the obligor held in the fund. The agreement shall contain—

(1) terms and conditions required by this section;

(2) terms that grant to the United States Government a security interest in all amounts deposited into the fund; and

(3) any additional terms considered by the Secretary or Administrator to be necessary to protect fully the interests of the Government.

(c) INVESTMENT.—The Secretary or Administrator may invest and reinvest any part of the amounts in the fund in obligations of the Government with maturities such that amounts in the fund will be available as required for purposes of the agreement under subsection (b). Cash balances in the fund in excess of current requirements shall be maintained in a form of uninvested funds, and the Secretary of the Treasury shall pay interest on these funds.

(d) WITHDRAWALS.—

(1) IN GENERAL.—Cash deposited into the fund may not be withdrawn without the consent of the Secretary or Administrator.

(2) USE OF INCOME.—Subject to paragraph (3), the Secretary or Administrator may pay any income earned on cash of an obligor deposited into the fund in accordance with the agreement with the obligor under subsection (b).

(3) RETENTION AGAINST DEFAULT.—The Secretary or Administrator may retain and offset any or all of the cash of an obligor in the fund, and any income realized thereon, as part of the Secretary’s or Administrator’s recovery against the obligor in case of a default by the obligor on an obligation.

(Pub. L. 109-304, § 8(c), Oct. 6, 2006, 120 Stat. 1616; Pub. L. 109-163, div. C, title XXXV, § 3507(a)(1)(H), (3), Jan. 6, 2006, 119 Stat. 3555;

Pub. L. 110-181, div. C, title XXXV, § 3522(a)(10)(B), (11), (b), Jan. 28, 2008, 122 Stat. 598.)

## HISTORICAL AND REVISION NOTES

| <i>Revised Section</i> | <i>Source (U.S. Code)</i> | <i>Source (Statutes at Large)</i>  |
|------------------------|---------------------------|--|
| 53716 .....            | 46 App.:1279b.            | June 29, 1936, ch. 858, title XI, § 1109, as added Pub. L. 107-107, title XXXV, § 3503, Dec. 28, 2001, 115 Stat. 1392. |

In subsection (a), the word “established” is omitted for consistency with other codified titles of the United States Code.

## AMENDMENTS

2008—Pub. L. 110-181, § 3522(b), repealed Pub. L. 109-163, § 3507(a)(1)(H), (3). See 2006 Amendment note below.

Pub. L. 110-181, § 3522(a)(10)(B), (11), incorporated the substance of the amendment by Pub. L. 109-163, § 3507(a)(1)(H), (3), into this section by inserting “or Administrator” after “Secretary” wherever appearing, except the second place appearing in subsec. (c), and inserting “or Administrator’s” after “Secretary’s” in subsec. (d)(3). See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109-163, § 3507(a)(1)(H), (3), which directed the amendment of section 1279b of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, § 3522(b). See 2008 Amendment notes and Historical and Revision notes above.

### § 53717. Management of funds in the Treasury

(a) DEFINITION.—In this section, the term “FCRA” means the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(b) LOAN GUARANTEES BY ADMINISTRATOR.—

(1) WHEN NOT SUBJECT TO FCRA.—The Administrator shall account for payments and disbursements involving obligations guaranteed under this chapter and not subject to FCRA in an account in the Treasury entitled the Federal Ship Financing Fund Liquidating Account (a liquidating account as defined in FCRA).

(2) WHEN SUBJECT TO FCRA.—The Administrator shall account for payments and disbursements involving obligations guaranteed under this chapter and subject to FCRA in a separate account in the Treasury entitled the Federal Ship Financing Guaranteed Loan Financing Account (a financing account as defined in FCRA).

(c) LOAN GUARANTEES BY SECRETARY.—

(1) WHEN NOT SUBJECT TO FCRA.—The Secretary shall account for payments and disbursements involving obligations guaranteed under this chapter and not subject to FCRA in a separate account in the Treasury established for this purpose.

(2) WHEN SUBJECT TO FCRA.—The Secretary shall account for payments and disbursements involving obligations guaranteed under this chapter and subject to FCRA in a separate account in the Treasury established for this purpose.

(d) DIRECT LOANS BY SECRETARY.—The Secretary shall account for payments and disburse-

ments involving direct loans made under this chapter in a separate account in the Treasury established for this purpose.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1616; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(B), (D), (c)(2), Jan. 6, 2006, 119 Stat. 3555, 3556; Pub. L. 110-181, div. C, title XXXV, §3522(a)(7), (9)(B), (b), Jan. 28, 2008, 122 Stat. 598.)

#### HISTORICAL AND REVISION NOTES

| <i>Revised Section</i> | <i>Source (U.S. Code)</i> | <i>Source (Statutes at Large)</i>   |
|------------------------|---------------------------|---|
| 53717 .....            | 46 App.:1272.             | June 29, 1936, ch. 858, title XI, §1102, as added June 23, 1938, ch. 600, §46, 52 Stat. 969; Sept. 3, 1954, ch. 1265, §2, 68 Stat. 1268; Pub. L. 86-123, §1(2), July 31, 1959, 73 Stat. 269; Pub. L. 92-507, §2, Oct. 19, 1972, 86 Stat. 910; Pub. L. 97-31, §12(136), Aug. 6, 1981, 95 Stat. 166.  |
|                        | 46 App.:1274(g).          | June 29, 1936, ch. 858, title XI, §1104A(g) [§1104A formerly §1104], as added June 23, 1938, ch. 600, §46, 52 Stat. 970; Aug. 4, 1939, ch. 417, §14, 53 Stat. 1187; Sept. 28, 1950, ch. 1093, §4, 64 Stat. 1078; Aug. 15, 1953, ch. 513, §2, 67 Stat. 626; Sept. 3, 1954, ch. 1265, §4, 68 Stat. 1269; Pub. L. 86-123, §§1(3), 2, July 31, 1959, 73 Stat. 269, 271; Pub. L. 86-127, §1(3), (4), July 31, 1959, 73 Stat. 273; Pub. L. 86-518, §1, June 12, 1960, 74 Stat. 216; Pub. L. 86-685, §§2, 3, Sept. 2, 1960, 74 Stat. 733; Pub. L. 90-341, June 15, 1968, 82 Stat. 180; Pub. L. 91-469, §§31, 32, Oct. 21, 1970, 84 Stat. 1035; restated Pub. L. 92-507, §3, Oct. 19, 1972, 86 Stat. 914; Pub. L. 96-561, title II, §220(3)(D), Dec. 22, 1980, 94 Stat. 3294; Pub. L. 97-31, §12(136), Aug. 6, 1981, 95 Stat. 166; Pub. L. 97-35, title XVI, §1606(d), Aug. 13, 1981, 95 Stat. 752; §1104A, Pub. L. 101-380, title IV, §4115(f)(1), Aug. 18, 1990, 104 Stat. 521. |
|                        | 46 App.:1280.             | Pub. L. 85-469, title I, §101 (par. under heading “Federal Ship Mortgage Insurance Fund”), June 25, 1958, 72 Stat. 231; Pub. L. 97-31, §12(137), Aug. 6, 1981, 95 Stat. 166.  |

The Federal Ship Financing Fund which had been created by 46 App. U.S.C. 1272 is obsolete as a result of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.). This section codifies the current requirements and practices for the management of funds under this chapter, based on the requirements of that Act.

#### REFERENCES IN TEXT

The Federal Credit Reform Act of 1990, referred to in subsec. (a), is title V of Pub. L. 93-344, as added by Pub. L. 101-508, title XIII, §13201(a), Nov. 5, 1990, 104 Stat. 1388-609, which is classified generally to subchapter III (§661 et seq.) of chapter 17A of Title 2, The Congress. For complete classification of this Act to the Code, see Short Title note set out under section 621 of Title 2 and Tables.

#### AMENDMENTS

2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(a)(1)(B), (D), (c)(2). See 2006 Amendment note below.

Subsec. (b). Pub. L. 110-181, §3522(a)(9)(B), incorporated the substance of the amendment by Pub. L. 109-163, §3507(a)(1)(B), (D), (c)(2), into this section by

substituting “Administrator” for “Secretary of Transportation” wherever appearing in heading and text. See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

Subsecs. (c), (d). Pub. L. 110-181, §3522(a)(7), struck out “of Commerce” after “Secretary” wherever appearing in headings and text.

2006—Pub. L. 109-163, §3507(a)(1)(B), (D), (c)(2), which directed the amendment of sections 1272, 1274(g), and 1280 of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, §3522(b). See 2008 Amendment note for subsec. (b) and Historical and Revision notes above.

#### § 53718. Annual report to Congress

The Administrator shall report to Congress annually on the loan guarantee program under this chapter. Each report shall include—

- (1) the size, in dollars, of the portfolio of loans guaranteed;
- (2) the size, in dollars, of projects in the portfolio facing financial difficulties;
- (3) the number and type of projects covered;
- (4) a profile of pending loan applications;
- (5) the amount of appropriations available for new guarantees;
- (6) a profile of each project approved since the last report; and
- (7) a profile of any defaults since the last report.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1617; Pub. L. 109-163, div. C, title XXXV, §3507(c)(3), Jan. 6, 2006, 119 Stat. 3556; Pub. L. 110-181, div. C, title XXXV, §3522(a)(9)(C), (b), Jan. 28, 2008, 122 Stat. 598.)

#### HISTORICAL AND REVISION NOTES

| <i>Revised Section</i> | <i>Source (U.S. Code)</i> | <i>Source (Statutes at Large)</i>                                  |
|------------------------|---------------------------|--|
| 53718 .....            | 46 App.:1280b.            | Pub. L. 108-136, title XXXV, §3527, Nov. 24, 2003, 117 Stat. 1802. |

#### AMENDMENTS

2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(c)(3). See 2006 Amendment note below.

Pub. L. 110-181, §3522(a)(9)(C), incorporated the substance of the amendment by Pub. L. 109-163, §3507(c)(3), into this section by substituting “Administrator” for “Secretary of Transportation” in introductory provisions. See 2006 Amendment note below and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

2006—Pub. L. 109-163, §3507(c)(3), which directed the amendment of section 1280b of the former Appendix to this title from which this section was derived, was repealed by Pub. L. 110-181, §3522(b). See 2008 Amendment notes and Historical and Revision notes above.

#### SUBCHAPTER II—DEFAULT PROVISIONS

#### § 53721. Rights of obligee

(a) DEMANDS BY OBLIGEES.—Except as provided in subsection (c), if an obligor has continued in default for 30 days in the payment of principal or interest on an obligation guaranteed under this chapter, the obligee or the obligee’s agent may demand that the Secretary or Administrator pay the unpaid principal amount of the obligation and the unpaid interest on the obligation to the date of payment. The demand must be made within the earlier of—