

tifies that, after giving effect to the extension, in his judgment the security for all loans to the borrower made or guaranteed under this chapter is reasonably adequate and that all such loans will be repaid within the time agreed.

(2) Extension of useful life or collateral

Extensions under this section shall not be granted unless the borrower first submits with its request either—

(A) evidence satisfactory to the Secretary that a Federal or State agency with jurisdiction and expertise has made an official determination, such as through a licensing proceeding, extending the useful life of a generating plant or transmission line pledged as collateral to or beyond the new final maturity date being requested by the borrower, or

(B) a certificate from an independent licensed engineer concluding, on the basis of a thorough engineering analysis satisfactory to the Secretary, that the useful life of the generating plant or transmission line pledged as collateral extends to or beyond the new final maturity date being requested by the borrower.

(3) Amount eligible for extension

Extensions under this section shall not be granted if the principal balance extended exceeds the appraised value of the generating plant or transmission line referred to in subsection paragraph (2).

(4) Period of extension

Extensions under this section shall in no case result in a final maturity greater than 55 years from the time of original disbursement and shall in no case result in a final maturity greater than the useful life of the plant.

(5) Number of extensions

Extensions under this section shall not be granted more than once per loan advance.

(c) Fees

(1) In general

A borrower that receives an extension under this section shall pay a fee to the Secretary which shall be credited to the Rural Electrification and Telecommunications Loans Program account. Such fees shall remain available without fiscal year limitation to pay the modification costs for extensions.

(2) Amount

The amount of the fee paid shall be equal to the modification cost, calculated in accordance with section 502 of the Federal Credit Reform Act of 1990 [2 U.S.C. 661a], as amended, of such extension.

(3) Payment

The borrower shall pay the fee required under this section at the time the existing guarantee is extended by making a payment in the amount of the required fee.

(May 20, 1936, ch. 432, title III, §316, as added Pub. L. 109-97, title VII, §774, Nov. 10, 2005, 119 Stat. 2160.)

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, as amended, 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.

§ 940g. Electric loans for renewable energy

(a) Definition of renewable energy source

In this section, the term “renewable energy source” means an energy conversion system fueled from a solar, wind, hydropower, biomass, or geothermal source of energy.

(b) Loans

In addition to any other funds or authorities otherwise made available under this chapter, the Secretary may make electric loans under this subchapter for electric generation from renewable energy resources for resale to rural and nonrural residents.

(c) Rate

The rate of a loan under this section shall be equal to the average tax-exempt municipal bond rate of similar maturities.

(May 20, 1936, ch. 432, title III, §317, as added Pub. L. 110-234, title VI, §6108, May 22, 2008, 122 Stat. 1198, and Pub. L. 110-246, §4(a), title VI, §6108, June 18, 2008, 122 Stat. 1664, 1959.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

EFFECTIVE DATE

Enactment 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 a note under section 8701 of this title.

§ 940h. Bonding requirements

The Secretary shall review the bonding requirements for all programs administered by the Rural Utilities Service under this chapter to ensure that bonds are not required if—

- (1) the interests of the Secretary are adequately protected by product warranties; or
- (2) the costs or conditions associated with a bond exceed the benefit of the bond.

(May 20, 1936, ch. 432, title III, §318, as added Pub. L. 110-234, title VI, §6109, May 22, 2008, 122 Stat. 1198, and Pub. L. 110-246, §4(a), title VI, §6109, June 18, 2008, 122 Stat. 1664, 1960.)

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 enacted identical sections. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246.

EFFECTIVE DATE

Enactment 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 a note under section 8701 of this title.

SUBCHAPTER IV—RURAL TELEPHONE
BANK

§ 941. Telephone Bank

(a) Establishment

There is hereby established a body corporate to be known as the Rural Telephone Bank (hereinafter called the telephone bank).

(b) General purposes

The general purposes of the telephone bank shall be to obtain an adequate supply of supplemental funds to the extent feasible from non-Federal sources, to utilize said funds in the making of loans under section 948 of this title, and to conduct its operations to the extent practicable on a self-sustaining basis.

(c) Status; payments in lieu of property taxes

The telephone bank shall be deemed to be an instrumentality of the United States, and shall, for the purposes of jurisdiction and venue, be deemed a citizen and resident of the District of Columbia. The telephone bank is authorized to make payments to State, territorial, and local governments in lieu of property taxes upon real property and tangible personal property which was subject to State, territorial, and local taxation before acquisition by the telephone bank. Such payment may be in the amounts, at the times, and upon such terms as the telephone bank deems appropriate but the telephone bank shall be guided by the policy of making payments not in excess of the taxes which would have been payable upon such property in the condition in which it was acquired.

(May 20, 1936, ch. 432, title IV, § 401, as added Pub. L. 92-12, § 2, May 7, 1971, 85 Stat. 30.)

EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

§ 942. General powers

To carry out the specific powers herein authorized, the telephone bank shall have power to (a) adopt, alter, and use a corporate seal; (b) sue and be sued in its corporate name; (c) make contracts, leases, and cooperative agreements, or enter into other transactions as may be necessary in the conduct of its business, and on such terms as it may deem appropriate; (d) acquire, in any lawful manner, hold, maintain, use, and dispose of property: *Provided*, That the telephone bank may only acquire property needed in the conduct of its banking operations or pledged or mortgaged to secure loans made hereunder or in temporary operation or maintenance thereof: *Provided further*, That any such pledged or mortgaged property so acquired shall be disposed of as promptly as is consistent with prudent liquidation practices, but in no event later than five years after such acquisition; (e) accept gifts or donations of services or of property in aid of any of the purposes herein authorized; (f) appoint such officers, attorneys, agents, and employees, vest them with such powers and duties, fix and pay such compensation to them for their services as the telephone bank may determine; (g) determine the character of and the necessity

for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid; (h) execute, in accordance with its by-laws, all instruments necessary or appropriate in the exercise of any of its powers; (i) collect or compromise all obligations assigned to or held by it and all legal or equitable rights accruing to it in connection with the payment of such obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and (j) exercise all such other powers as shall be necessary or incidental to carrying out its functions under this subchapter.

(May 20, 1936, ch. 432, title IV, § 402, as added Pub. L. 92-12, § 2, May 7, 1971, 85 Stat. 30.)

EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

§ 943. Special provisions governing telephone bank as a Federal agency until conversion of ownership, control, and operation

Until the ownership, control, and operation of the telephone bank is converted as provided in section 950(a) of this title and not thereafter—

(a) Supervision and direction of Secretary of Agriculture; free postage and priority of debts restrictions

the telephone bank shall be an agency of the United States and shall be subject to the supervision and direction of the Secretary of Agriculture (hereinafter called the Secretary): *Provided, however*, That the telephone bank shall at no time be entitled to transmission of its mail free of postage, nor shall it have the priority of the United States in the payment of debts out of bankrupt, insolvent, and decedents' estates;

(b) Use of facilities and services of employees of Secretary of Agriculture

in order to perform its responsibilities under this subchapter, the telephone bank may partially or jointly utilize the facilities and the services of employees of the Secretary, without cost to the telephone bank;

(c) Wholly owned Government corporation

the telephone bank shall be subject to the provisions of chapter 91 of title 31, in the same manner and to the same extent as if it were included in the definition of "wholly owned Government corporation" as set forth in section 9101 of title 31;

(d) Appointment and compensation of personnel

the telephone bank may without regard to the civil service¹ classification laws appoint and fix the compensation of such officers and employees of the telephone bank as it may deem necessary;

(e) Tort claims and litigation

the telephone bank shall be subject to the provisions of sections 517, 519, and 2679 of title 28.

¹ So in original. The word "and" probably should appear after "civil service".