

teed under this section are distributed across diverse geographic regions.

(g) Credit eligibility

The provisions of paragraphs (1) and (3) of section 1983 of this title shall not apply to loans made or guaranteed under this section.

(h) Authorization of appropriations

There is authorized to be appropriated to the Secretary to carry out this section \$150,000,000 for each of fiscal years 2014 through 2018.

(Pub. L. 87-128, title III, §304, Aug. 8, 1961, 75 Stat. 308; Pub. L. 90-488, §2, Aug. 15, 1968, 82 Stat. 770; Pub. L. 92-419, title I, §102, Aug. 30, 1972, 86 Stat. 657; Pub. L. 95-334, title I, §102, Aug. 4, 1978, 92 Stat. 421; Pub. L. 101-624, title XVIII, §1802(a), Nov. 28, 1990, 104 Stat. 3817; Pub. L. 102-237, title V, §501(a), Dec. 13, 1991, 105 Stat. 1865; Pub. L. 104-127, title VI, §603, Apr. 4, 1996, 110 Stat. 1085; Pub. L. 110-234, title V, §5002, May 22, 2008, 122 Stat. 1142; Pub. L. 110-246, §4(a), title V, §5002, June 18, 2008, 122 Stat. 1664, 1904; Pub. L. 113-79, title V, §§5001(c)(1), 5002, Feb. 7, 2014, 128 Stat. 833.)

CODIFICATION

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 L. 110-234 were repealed by section 4(a) of Pub.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. (c)(1). Pub. L. 113-79, §5002(a), substituted “limited liability companies, or such other legal entities as the Secretary considers appropriate” for “or limited liability companies”.

Subsec. (c)(2). Pub. L. 113-79, §5001(c)(1), substituted “subparagraphs (A) and (B) of section 1922(a)(1)” for “paragraphs (1) and (2) of section 1922(a)”.

Subsec. (e). Pub. L. 113-79, §5002(b), substituted “shall be—” for “shall be 75 percent of the principal amount of the loan.” and added pars. (1) and (2).

Subsec. (h). Pub. L. 113-79, §5002(c), added subsec. (h) and struck out former subsec. (h). Prior to amendment, text read as follows: “For each of fiscal years 2008 through 2012, there are authorized to be appropriated to the Secretary such funds as are necessary to carry out this section.”

2008—Pub. L. 110-246, §5002, amended section generally, substituting provisions relating to conservation loans and loan guarantee programs for former provisions which related to, in subsec. (a), authority to make or insure loans for soil and water conservation and protection, in subsec. (b), priority of producers who would build conservation structures or establish conservation practices to comply with section 3812 of title 16, and in subsec. (c), maximum amount of a loan.

1996—Pub. L. 104-127, §603(2), inserted section catchline.

Subsec. (a). Pub. L. 104-127, §603(2), (5), redesignated subsec. (a)(1) as (a), inserted heading, and redesignated subpars. (A) to (F) as pars. (1) to (6), respectively. Former pars. (2) and (3) redesignated subsecs. (b) and (c), respectively.

Subsec. (b). Pub. L. 104-127, §603(1), (3), redesignated subsec. (a)(2) as (b), inserted heading, substituted “guaranteeing loans” for “insuring loans”, and struck out former subsec. (b) which read as follows: “Loans may also be made or insured under this subchapter to residents of rural areas without regard to the requirements of clauses (2) and (3) of section 1922 of this title to acquire or establish in rural areas small business enterprises to provide such residents with essential income.”

Subsec. (c). Pub. L. 104-127, §603(1), (4), (6), redesignated subsec. (a)(3) as (c), inserted heading, redesignated

subpars. (A) and (B) as pars. (1) and (2), respectively, and struck out former subsec. (c) which read as follows: “Loans may also be made or insured under this subchapter to any farm owners or tenants without regard to the requirements of clauses (1), (2), and (3) of section 1922 of this title for the purposes of meeting Federal, State, or local requirements for agricultural, animal, or poultry waste pollution abatement and control facilities, including the construction, modification, or relocation of farm or other structures necessary to comply with such pollution abatement requirements.”

1991—Subsecs. (a), (d). Pub. L. 102-237 redesignated subsec. (d) as (a) and moved it to appear before subsec. (b) and struck out former subsec. (a) which read as follows: “Loans may also be made or insured under this subchapter to any farmowners or tenants without regard to the requirements of section 1922(1), (2), and (3) of this title for the purposes only of land and water development, use and conservation, not including recreational uses and facilities, and without regard to the requirements of section 1922(2) and (3) of this title, to farmowners or tenants to finance outdoor recreational enterprises or to convert to recreational uses their farming or ranching operations, including those heretofore financed under this chapter.”

1990—Subsec. (d). Pub. L. 101-624 added subsec. (d).

1978—Subsec. (a). Pub. L. 95-334, §102(1), struck out “individual” after “title, to”.

Subsec. (c). Pub. L. 95-334, §102(2), added subsec. (c).

1972—Pub. L. 92-419 designated existing provisions as subsec. (a) and struck out item (a) and (b) designations appearing before “to any farmowners” and “without regard to”, respectively, and added subsec. (b).

1968—Pub. L. 90-488 designated existing provisions as cl. (a), excluded recreational uses and facilities, and added cl. (b).

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 1991 AMENDMENT

Amendment by 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, see section 1101(b)(3) of Pub. L. 102-237, set out as a note under section 1421 of this title.

§ 1925. Limitations on amount of farm ownership loans

(a) In general

The Secretary shall make or insure no loan under sections 1922, 1923, 1924, 1934, and 1935 of this title that would cause the unpaid indebtedness under such sections of any one borrower to exceed the smaller of (1) the value of the farm or other security, or (2) in the case of a loan other than a loan guaranteed by the Secretary, \$300,000, or, in the case of a loan guaranteed by the Secretary, \$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the amount of any unpaid indebtedness of the borrower on loans under subchapter II that are guaranteed by the Secretary).

(b) Determination of value

In determining the value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary.

(c) Inflation percentage

For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

(1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department of Agriculture) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

(2) the average of such index (as so defined) for the 12-month period ending on August 31, 1996.

(Pub. L. 87-128, title III, §305, Aug. 8, 1961, 75 Stat. 308; Pub. L. 91-620, §1, Dec. 31, 1970, 84 Stat. 1862; Pub. L. 92-419, title I, §103, Aug. 30, 1972, 86 Stat. 658; Pub. L. 91-524, title VIII, §807, as added Pub. L. 93-86, §1(27)(B), Aug. 10, 1973, 87 Stat. 237; Pub. L. 95-334, title I, §103, Aug. 4, 1978, 92 Stat. 421; Pub. L. 102-554, §3, Oct. 28, 1992, 106 Stat. 4142; Pub. L. 105-277, div. A, §101(a) [title VIII, §806(a)], Oct. 21, 1998, 112 Stat. 2681, 2681-39; Pub. L. 110-234, title V, §5003, May 22, 2008, 122 Stat. 1144; Pub. L. 110-246, §4(a), title V, §5003, June 18, 2008, 122 Stat. 1664, 1905.)

CODIFICATION

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

2008—Subsec. (a)(2). Pub. L. 110-246, §5003, substituted “\$300,000” for “\$200,000”.

1998—Pub. L. 105-277 inserted section catchline, designated first sentence as subsec. (a), inserted heading, and substituted “\$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the amount of any unpaid indebtedness of the borrower on loans under subchapter II that are guaranteed by the Secretary)” for “\$300,000”, designated second sentence as subsec. (b) and inserted heading, and added subsec. (c).

1992—Pub. L. 102-554 inserted reference to section 1935 of this title.

1978—Pub. L. 95-334 substituted provisions setting forth requirements for loans under sections 1922, 1923, 1924, and 1934 of this title for provisions setting forth requirements for loans under sections 1922, 1923, and 1924 of this title.

1973—Pub. L. 91-524, §807, as added by Pub. L. 93-86, substituted “\$225,000” for “\$100,000” in cl. (a), added cl. (b), and redesignated former cl. (b) as (c).

1972—Pub. L. 92-419 struck out “normal” before “value” in first and second sentences and before “market value” in last sentence.

1970—Pub. L. 91-620 substituted “\$100,000” for “\$60,000”.

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.

§ 1926. Water and waste facility loans and grants**(a) In general**

(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other fed-

erally recognized Indian tribes, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, recreational developments, and essential community facilities including necessary related equipment, all primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of title 26, or as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681, 2681-37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents. When any loan made for a purpose specified in this paragraph is sold out of the Agricultural Credit Insurance Fund as an insured loan, the interest or other income thereon paid to an insured holder shall be included in gross income for purposes of chapter 1 of title 26. With respect to loans of less than \$500,000 made or insured under this paragraph that are evidenced by notes and mortgages, as distinguished from bond issues, borrowers shall not be required to appoint bond counsel to review the legal validity of the loan whenever the Secretary has available legal counsel to perform such review.

(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—**(A) AUTHORITY.—**

(i) **IN GENERAL.**—The Secretary is authorized to make grants to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

(ii) **AMOUNT.**—The amount of any grant made under the authority of this subparagraph shall not exceed 75 per centum of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area.

(iii) **GRANT RATE.**—The Secretary shall fix the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates establishing higher rates for