

In paragraph (8), before subparagraph (A), the words “instrument of indebtedness” are substituted for “note, bond, debenture, or other evidence of indebtedness” to eliminate unnecessary words. In subparagraph (B), the reference to section 53717 is substituted for the reference to 46 App. U.S.C. 1272 because the accounts under section 53717 replace the Federal Ship Financing Fund. See the explanation for section 53717.

AMENDMENTS

2016—Pars. (8) to (15). Pub. L. 114-120 added par. (8) and redesignated former pars. (8) to (14) as (9) to (15), respectively.

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 L. 110-181, §3522(b), repealed Pub.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

Pub. L. 110-181, §3522(a)(10)(B), incorporated the substance of the amendment by Pub. L. 109-163, §3507(a)(1)(A), into this section by inserting “or Administrator” after “Secretary” wherever appearing in pars. (1)(B), (4), and (9)(A). 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.

Pub. L. 110-181, §3522(a)(1), incorporated the substance of the amendment by Pub. L. 109-163, §3507(b)(1), into this section by adding pars. (2) and (13), redesignating former pars. (2) to (13) as (3) to (14), respectively, and striking out former par. (13), which defined “Secretary”. 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)(A), (b)(1), which directed the amendment of section 1271 of the former Appendix to this title from which this section was derived, was repealed by Pub.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.

§ 53702. General authority

(a) IN GENERAL.—The Secretary or Administrator, on terms the Secretary or Administrator may prescribe, may guarantee or make a commitment to guarantee the payment of the principal of and interest on an obligation eligible to be guaranteed under this chapter. A guarantee or commitment to guarantee shall cover 100 percent of the principal and interest.

(b) DIRECT LOANS FOR FISHERIES.—

(1) IN GENERAL.—Notwithstanding any other provision of this chapter, any obligation involving a fishing vessel, fishery facility, aquaculture facility, individual fishing quota, or fishing capacity reduction program issued under this chapter after October 11, 1996, shall be a direct loan obligation for which the Secretary shall be the obligee, rather than an obligation issued to an obligee other than the Secretary and guaranteed by the Secretary. A direct loan obligation under this subsection shall be treated in the same manner and to the same extent as an obligation guaranteed under this chapter except with respect to provisions of this chapter that by their nature can only be applied to obligations guaranteed under this chapter.

(2) INTEREST RATE.—Notwithstanding any other provision of this chapter, the annual rate of interest an obligor shall pay on a direct loan obligation under this subsection is 2 percent plus the additional percent the Secretary must pay as interest to borrow from the Treasury the funds to make the loan.

(3) MINIMUM OBLIGATIONS AVAILABLE FOR HISTORIC USES.—Of the direct loan obligations is-

sued by the Secretary under this chapter, the Secretary shall make a minimum of \$59,000,000 available each fiscal year for historic uses.

(4) USE OF OBLIGATIONS IN LIMITED ACCESS FISHERIES.—In addition to the other eligible purposes and uses of direct loan obligations provided for in this chapter, the Secretary may issue direct loan obligations for the purpose of—

(A) financing the construction or reconstruction of a fishing vessel in a fishery managed under a limited access system; or

(B) financing the purchase of harvesting rights in a fishery that is federally managed under a limited access system.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1603; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(C), (d), Jan. 6, 2006, 119 Stat. 3555, 3557; Pub. L. 110-181, div. C, title XXXV, §3522(a)(10)(B), (b), Jan. 28, 2008, 122 Stat. 598; Pub. L. 114-120, title III, §302(a)(2), Feb. 8, 2016, 130 Stat. 52.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53702(a)	46 App.:1273(a).	June 29, 1936, ch. 858, title XI, §1103(a), as added June 23, 1938, ch. 600, §46, 52 Stat. 969; Aug. 15, 1953, ch. 513, §1, 67 Stat. 626; Sept. 3, 1954, ch. 1265, §3, 68 Stat. 1268; June 25, 1956, ch. 438, 70 Stat. 332; Aug. 7, 1956, ch. 1026, §1(a), (c), (d), 70 Stat. 1087; Pub. L. 91-469, §30, Oct. 21, 1970, 84 Stat. 1035; restated Pub. L. 92-507, §3, Oct. 19, 1972, 86 Stat. 910; Pub. L. 97-31, §12(136), Aug. 6, 1981, 95 Stat. 166; Pub. L. 99-509, title V, §5002, Oct. 21, 1986, 100 Stat. 1912; Pub. L. 103-160, div. A, title XIII, §1356(5), Nov. 30, 1993, 107 Stat. 1814.
53702(b)	46 App.:1279g.	June 29, 1936, ch. 858, title XI, §1112, as added Pub. L. 104-297, title III, §303(a), Oct. 11, 1996, 110 Stat. 3616.

In subsection (a), the words “on terms the Secretary may prescribe” are added based on language in 46 App. U.S.C. 1274(a) (before cl. (1)). The words “the unpaid balance of” are omitted as unnecessary.

CODIFICATION

Subsec. (b) of this section was derived from section 1112 of act June 29, 1936, as added by Pub. L. 104-297, §303(a), which was classified to section 1279g of the former Appendix to this title. Section 1112 was renumbered section 1114 of the Act by Pub. L. 109-163, div. C, title XXXV, §3507(d), Jan. 6, 2006, 119 Stat. 3557, which was repealed by Pub. L. 110-181, div. C, title XXXV, §3522(b), Jan. 28, 2008, 122 Stat. 598. See Historical and Revision notes above and section 18(a) of Pub. L. 109-304, set out as a Legislative Purpose and Construction note preceding section 101 of this title.

AMENDMENTS

2016—Subsec. (b)(3), (4). Pub. L. 114-120 added pars. (3) and (4).

2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(a)(1)(C), (d). See 2006 Amendment note below and Codification note above.

Subsec. (a). Pub. L. 110-181, §3522(a)(10)(B), incorporated the substance of the amendment by Pub. L. 109-163, §3507(a)(1)(C), into this section by inserting “or Administrator” after “Secretary” in two places. 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)(C), which directed the amendment of section 1273(a) of the former Appendix to this title from which subsec. (a) of this section was derived, was repealed by Pub. L. 110-181, §3522(b). See 2008 Amendment note for subsec. (a) and Historical and Revision notes above.

§ 53703. Application procedures

(a) TIME FOR DECISION.—

(1) IN GENERAL.—The Secretary or Administrator shall approve or deny an application for a loan guarantee under this chapter within 270 days after the date on which the signed application is received by the Secretary or Administrator.

(2) EXTENSION.—On request by an applicant, the Secretary or Administrator may extend the 270-day period in paragraph (1) to a date not later than 2 years after the date on which the signed application was received by the Secretary or Administrator.

(b) CERTIFICATION OF REVIEW.—The Secretary or Administrator may not guarantee or make a commitment to guarantee an obligation under this chapter unless the Secretary or Administrator certifies that a full and fair consideration of all the regulatory requirements, including economic soundness and financial requirements applicable to the obligor and related parties, and a thorough assessment of the technical, economic, and financial aspects of the loan application, has been made.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1604; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(D), (2)(G), (b)(7), Jan. 6, 2006, 119 Stat. 3555, 3556; Pub. L. 110-181, div. C, title XXXV, §3522(a)(10)(B), (b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53703(a)	46 App.:1274(n).	June 29, 1936, ch. 858, title XI, §1104A(l), (m), as added Pub. L. 108-136, title XXXV, §§3523(b), 3525, Nov. 24, 2003, 117 Stat. 1800, 1801.
53703(b)	46 App.:1274(l).	

AMENDMENTS

2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(a)(1)(D), (2)(G), (b)(7). See 2006 Amendment note below.

Pub. L. 110-181, §3522(a)(10)(B), incorporated the substance of the amendment by Pub. L. 109-163, §3507(a)(1)(D), (2)(G), (b)(7), into this section by inserting “or Administrator” after “Secretary” wherever appearing. 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)(D), (2)(G), (b)(7), which directed the amendment of section 1274(l), (n) 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.

REVIEW OF APPLICATIONS FOR LOANS AND GUARANTEES

Pub. L. 110-181, div. C, title XXXV, §3517, Jan. 28, 2008, 122 Stat. 595, provided that:

“(a) FINDINGS.—The Congress makes the following findings:

“(1) The maritime loan guarantee program was established by the Congress through the Merchant Ma-

rine Act, 1936 [see Short Title of 1936 Amendment note set out under section 101 of this title] to encourage domestic shipbuilding by making available federally backed loan guarantees for new construction to ship owners and operators.

“(2) The maritime loan guarantee program has a long and successful history of ship construction with a low historical default rate.

“(3) The current process for review of applications for maritime loans in the Department of Transportation has effectively discontinued the program as envisioned by the Congress.

“(4) The President has requested no funding for the loan guarantee program despite the stated national policy to foster the development and encourage the maintenance of a merchant marine in section 50101 of title 46, United States Code.

“(5) United States commercial shipyards were placed at a competitive disadvantage in the world shipbuilding market by government subsidized foreign commercial shipyards.

“(6) The maritime loan guarantee program has the potential to modernize shipyards and the ships of the United States coastwise trade and restore a competitive position in the world shipbuilding market for United States shipyards.

“(7) The maritime loan guarantee program is a useful tool to encourage domestic shipbuilding, preserving a vital industrial capacity critical to the security of the United States.

“(b) REQUIREMENTS.—

“(1) IN GENERAL.—Within 180 days after the date of enactment of this Act [Jan. 28, 2008], the Administrator of the Maritime Administration shall develop and implement a comprehensive plan for the review of applications for loan guarantees under chapter 537 of title 46, United States Code.

“(2) DEADLINE FOR ACTION ON APPLICATION.—

“(A) TRADITIONAL APPLICATIONS.—In the comprehensive plan the Administrator will ensure that within the 90-day period following receipt of all pertinent documentation required for review of a traditional loan application, the application shall be either accepted or rejected.

“(B) NONTRADITIONAL APPLICATIONS.—In the comprehensive plan the Administrator will ensure that within the 180-day period following receipt of all pertinent documentation required for review of a nontraditional loan application, the application shall be either accepted or rejected.

“(c) SUBMISSION TO CONGRESS.—The Administrator shall submit a copy of the comprehensive plan to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives within 180 days after the date of enactment of this Act [Jan. 28, 2008].

“(d) DEFINITIONS.—In this section:

“(1) TRADITIONAL APPLICATION.—The term ‘traditional application’ means an application for a loan, guarantee, or commitment to guarantee submitted pursuant to chapter 537 of title 46, United States Code, that involves a market, technology, and financial structure of a type that has proven successful in previous applications and does not present an unreasonable risk to the United States, as determined by the Administrator of the Maritime Administration.

“(2) NONTRADITIONAL APPLICATION.—The term ‘nontraditional application’ means an application for a loan, guarantee, or commitment to guarantee submitted pursuant to chapter 537 of title 46, United States Code, that is not a traditional application, as determined by the Administrator of the Maritime Administration.”

§ 53704. Funding limits

(a) GENERAL LIMITATIONS.—The total unpaid principal amount of obligations guaranteed under this chapter and outstanding at one time may not exceed \$12,000,000,000. Of that amount—