

costs for interest rate reduction except for certain concurrent loans.

Subsec. (c)(2), (3). Pub. L. 110-246, §6106(a)(2), added pars. (2) and (3) and struck out former pars. (2) and (3) which provided that the amount of an annual fee paid for the guarantee would be equal to 30 basis points of the amount of the unpaid principal and directed payment of fees required under subsec. (c) on a semiannual basis.

Subsec. (f). Pub. L. 110-246, §6106(a)(3), substituted “2012” for “2007”.

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.

REGULATIONS AND IMPLEMENTATION

Pub. L. 110-234, title VI, §6106(b), May 22, 2008, 122 Stat. 1197, and Pub. L. 110-246, §4(a), title VI, §6106(b), June 18, 2008, 122 Stat. 1664, 1959, provided that: “The Secretary [of Agriculture] shall continue to carry out section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1) in the same manner as on the day before the date of enactment of this Act [June 18, 2008], except without regard to the limitations prescribed in subsection (b)(1) of that section, until such time as any regulations necessary to carry out the amendments made by this section [amending this section] are fully implemented.”

[Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of this title.]

Pub. L. 108-199, div. A, title VII, §750(b), Jan. 23, 2004, 118 Stat. 38, provided that: “The Secretary shall publish a proposed rule to carry out section 313A of the Rural Electrification Act of 1936 [7 U.S.C. 940c-1] within 60 days of enactment of this Act [Jan. 23, 2004].”

Pub. L. 107-171, title VI, §6101(b), May 13, 2002, 116 Stat. 415, provided that:

“(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act [May 13, 2002], the Secretary of Agriculture shall promulgate regulations to carry out the amendments made by this section [enacting this section].

“(2) IMPLEMENTATION.—Not later than 240 days after the date of enactment of this Act [May 13, 2002], the Secretary shall implement the amendment made by this section [enacting this section].”

ADMINISTRATION OF GUARANTEES PRIOR TO IMPLEMENTATION OF REGULATIONS

Pub. L. 115-334, title VI, §6505(b), Dec. 20, 2018, 132 Stat. 4775, provided that: “Beginning on the date of enactment of the Agriculture Improvement Act of 2018 [Dec. 20, 2018], the Secretary [of Agriculture] shall continue to carry out section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1) (as amended by subsection (a)) under a Notice of Solicitation of Applications until the date on which any regulations necessary to carry out the amendments made by subsection (a) [amending this section] are fully implemented.”

§ 940c-2. Rural development loans and grants

(a) In general

The Secretary shall provide grants or zero interest loans to borrowers under this chapter for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects, and other reasonable expenses for the purpose of fostering rural development.

(b) Repayments

In the case of zero interest loans, the Secretary shall establish such reasonable repay-

ment terms as will encourage borrower participation.

(c) Proceeds

All proceeds from the repayment of such loans made under this section shall be returned to the subaccount that the Secretary shall maintain in accordance with sections 940c(b)(2) and 940c-2(f) of this title.

(d) Number of grants

Loans and grants required under this section shall be made to the full extent of the amounts made available under subsection (e).

(e) Funding

(1) Discretionary funding

In addition to other funds that are available to carry out this section, there is authorized to be appropriated not more than \$10,000,000 for each of fiscal years 2019 through 2023 to carry out this section, to remain available until expended.

(2) Mandatory funding

Of the funds of the Commodity Credit Corporation, the Secretary shall credit to the subaccount to use for the cost of grants and loans under this section \$5,000,000 for each of fiscal years 2022 and 2023, to remain available until expended.

(3) Other funds

In addition to the funds described in paragraphs (1) and (2), the Secretary shall use, without fiscal year limitation, to provide grants and loans under this section—

(A) the interest differential sums credited to the subaccount described in subsection (c); and

(B) subject to section 940c-1(e)(2) of this title, the fees described in subsection (c)(4) of such section.

(f) Maintenance of account

The Secretary shall maintain the subaccount described in section 940c(b)(2) of this title, as in effect in fiscal year 2017, for purposes of carrying out this section.

(May 20, 1936, ch. 432, title III, §313B, as added Pub. L. 115-334, title VI, §6504(c), Dec. 20, 2018, 132 Stat. 4773.)

IMPLEMENTATION OF LOAN AND GRANT PROGRAM

Pub. L. 115-334, title VI, §6504(e), Dec. 20, 2018, 132 Stat. 4774, provided that:

“(1) Subject to section 313B(e) of the Rural Electrification Act of 1936 (as added by this section) [7 U.S.C. 940c-2(e)], the Secretary of Agriculture shall carry out the loan and grant program required under such section in the same manner as the loan and grant program under section 313(b)(2) of such Act [7 U.S.C. 940c(b)(2)] is carried out on the day before the date of the enactment of this Act [Dec. 20, 2018], until such time as any regulations necessary to carry out the amendments made by this section [enacting this section and amending sections 912, 940c, and 940c-1 of this title] are fully implemented.

“(2) Paragraph (1) shall take effect on the date of the enactment of this Act.”

§ 940d. Repealed. Pub. L. 115-334, title VI, § 6601(b), Dec. 20, 2018, 132 Stat. 4776

Section, May 20, 1936, ch. 432, title III, §314, as added Pub. L. 101-508, title I, §1201, Nov. 5, 1990, 104 Stat.