

dian Reorganization Act, which is classified generally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 5101 of this title and Tables.

Act of June 26, 1936, referred to in text, is act June 26, 1936, ch. 831, 49 Stat. 1967, popularly known as the Oklahoma Welfare Act, which was classified generally to subchapter VIII (§501 et seq.) of chapter 14 of this title prior to editorial reclassification as chapter 45A (§5201 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5201 of this title and Tables.

CODIFICATION

Section was formerly classified to section 483 of this title prior to editorial reclassification and renumbering as this section.

§ 5135. Mortgages and deeds of trust by individual Indian owners; removal from trust or restricted status; application to Secretary

(a) The individual Indian owners of any land which either is held by the United States in trust for them or is subject to a restriction against alienation imposed by the United States are authorized, subject to approval by the Secretary of the Interior, to execute a mortgage or deed of trust to such land. Such land shall be subject to foreclosure or sale pursuant to the terms of such mortgage or deed of trust in accordance with the laws of the tribe which has jurisdiction over such land or, in the case where no tribal foreclosure law exists, in accordance with the laws of the State or Territory in which the land is located. For the purpose of any foreclosure or sale proceeding the Indian owners shall be regarded as vested with an unrestricted fee simple title to the land, the United States shall not be a necessary party to the proceeding, and any conveyance of the land pursuant to the proceeding shall divest the United States of title to the land. All mortgages and deeds of trust to such land heretofore approved by the Secretary of the Interior are ratified and confirmed.

(b) In the event such land is acquired by an Indian or an Indian tribe, such land shall not be removed from trust or restricted status except upon application to the Secretary under existing law.

(Mar. 29, 1956, ch. 107, 70 Stat. 62; Pub. L. 98-608, §2, Oct. 30, 1984, 98 Stat. 3173; Pub. L. 101-644, title III, §301(c), Nov. 29, 1990, 104 Stat. 4667.)

CODIFICATION

Section was formerly classified to section 483a of this title prior to editorial reclassification and renumbering as this section.

AMENDMENTS

1990—Subsec. (a). Pub. L. 101-644 inserted “tribe which has jurisdiction over such land or, in the case where no tribal foreclosure law exists, in accordance with the laws of the” before “State” in second sentence.

1984—Pub. L. 98-608 designated existing provisions as subsec. (a) and added subsec. (b).

§ 5136. Loans to purchasers of highly fractioned land

(a) In general

The Secretary of Agriculture is authorized to make direct loans in a manner consistent with

direct loans pursuant to subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.), to any Indian tribe recognized by the Secretary of the Interior or tribal corporation established pursuant to the Indian Reorganization Act (25 U.S.C. 477),¹ which does not have adequate uncommitted funds, to acquire lands or interests therein within the tribe's reservation as determined by the Secretary of the Interior, or within a community in Alaska incorporated by the Secretary pursuant to the Indian Reorganization Act [25 U.S.C. 5101 et seq.], for use of the tribe or the corporation or the members of either. Such loans shall be limited to such Indian tribes or tribal corporations as have reasonable prospects of success in their proposed operations and as are unable to obtain sufficient credit elsewhere at reasonable rates and terms to finance the purposes authorized in sections 5136 to 5143 of this title.

(b) Highly fractionated land

(1) In general

Subject to paragraph (2), the Secretary of Agriculture may make and insure loans in accordance with section 1929 of title 7 to eligible purchasers of highly fractionated land or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land under that section.

(2) Exclusion

Section 5140 of this title shall not apply to trust land, restricted tribal land, or tribal corporation land that is mortgaged in accordance with paragraph (1).

(Pub. L. 91-229, §1, Apr. 11, 1970, 84 Stat. 120; Pub. L. 110-234, title V, §5501, May 22, 2008, 122 Stat. 1161; Pub. L. 110-246, §4(a), title V, §5501, June 18, 2008, 122 Stat. 1664, 1922; Pub. L. 113-79, title V, §5402, Feb. 7, 2014, 128 Stat. 840.)

REFERENCES IN TEXT

The Consolidated Farm and Rural Development Act, referred to in subsec. (a), is title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307. Subtitle D of the Act is classified principally to subchapter IV (§1981 et seq.) of chapter 50 of Title 7, Agriculture. For complete classification of the Act to the Code, see Short Title note set out under section 1921 of Title 7 and Tables.

Tribal corporation established by the Indian Reorganization Act (25 U.S.C. 477), referred to in subsec. (a), means a tribal corporation established under section 17 of act June 18, 1934, ch. 576, 48 Stat. 988, which was classified to section 477 of this title prior to editorial reclassification as section 5124 of this title.

The Indian Reorganization Act, referred to in subsec. (a), is act June 18, 1934, ch. 576, 48 Stat. 984, which is classified generally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 5101 of this title and Tables.

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.

Section was formerly classified to section 488 of this title prior to editorial reclassification and renumbering as this section.

AMENDMENTS

2014—Subsec. (a). Pub. L. 113-79, §5402(1), in first sentence, substituted “direct loans in a manner consistent

¹ See References in Text note below.

with direct loans pursuant to subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.)” for “loans from the Farmers Home Administration Direct Loan Account created by section 1988(c) of title 7, and to make and insure loans as provided in sections 1928 and 1929 of title 7”.

Subsec. (b)(1). Pub. L. 113-79, § 5402(2), substituted “or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land under that section” for “pursuant to section 2204(c) of this title”.

2008—Pub. L. 110-246, § 5501, inserted section catchline, designated existing provisions as subsec. (a), inserted heading, and added subsec. (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 Title 7, Agriculture.

§ 5137. Removal of duplicative appraisals

Notwithstanding any other law (including regulations), in making loans under section 5136 of this title, borrowers who are Indian tribes, members of Indian tribes, or tribal corporations shall only be required to obtain 1 appraisal under an appraisal standard recognized as of February 7, 2014, by the Secretary or the Secretary of the Interior.

(Pub. L. 113-79, title V, § 5403, Feb. 7, 2014, 128 Stat. 840.)

CODIFICATION

Section was formerly classified to section 488a of this title prior to editorial reclassification and renumbering as this section.

DEFINITION OF “SECRETARY”

“Secretary” as meaning the Secretary of Agriculture, see section 9001 of Title 7, Agriculture.

§ 5138. Title in trust to United States

Title to land acquired by a tribe or tribal corporation with a loan made or insured pursuant to sections 5136 to 5143 of this title may, with the approval of the Secretary of the Interior, be taken by the United States in trust for the tribe or tribal corporation.

(Pub. L. 91-229, § 2, Apr. 11, 1970, 84 Stat. 120.)

CODIFICATION

Section was formerly classified to section 489 of this title prior to editorial reclassification and renumbering as this section.

§ 5139. Tribal rights and privileges in connection with loans

A tribe or tribal corporation to which a loan is made or insured pursuant to sections 5136 to 5143 of this title (1) may waive in writing any immunity from suit or liability which it may possess, (2) may mortgage or otherwise hypothecate trust or restricted property if (a) authorized by its constitution or charter or by a tribal referendum, and (b) approved by the Secretary of the Interior, and (3) shall comply with rules and regulations prescribed by the Secretary of Agriculture in connection with such loans.

(Pub. L. 91-229, § 3, Apr. 11, 1970, 84 Stat. 120.)

CODIFICATION

Section was formerly classified to section 490 of this title prior to editorial reclassification and renumbering as this section.

§ 5140. Mortgaged property governed by State law

Trust or restricted tribal or tribal corporation property mortgaged pursuant to sections 5136 to 5143 of this title shall be subject to foreclosure and sale or conveyance in lieu of foreclosure, free of such trust or restrictions, in accordance with the laws of the State in which the property is located.

(Pub. L. 91-229, § 4, Apr. 11, 1970, 84 Stat. 120.)

CODIFICATION

Section was formerly classified to section 491 of this title prior to editorial reclassification and renumbering as this section.

§ 5141. Interest rates and taxes

Loans made or insured pursuant to sections 5136 to 5143 of this title will be subject to the interest rate provisions of section 307(a)(3)(B) of the Consolidated Farmers Home Administration Act of 1961, as amended [7 U.S.C. 1927(a)(3)(B)], and to the provisions of subtitle D of that Act [7 U.S.C. 1981 et seq.] except sections 340 [7 U.S.C. 1990], 341, 342 [7 U.S.C. 1013a], and 343 [7 U.S.C. 1991] thereof: *Provided*, That section 334 [7 U.S.C. 1984] thereof shall not be construed to subject to taxation any lands or interests therein while they are held by an Indian tribe or tribal corporation or by the United States in trust for such tribe or tribal corporation pursuant to sections 5136 to 5143 of this title.

(Pub. L. 91-229, § 5, Apr. 11, 1970, 84 Stat. 120; Pub. L. 101-624, title XVIII, § 1854(a), Nov. 28, 1990, 104 Stat. 3837.)

REFERENCES IN TEXT

The Consolidated Farmers Home Administration Act of 1961, referred to in text, is now the Consolidated Farm and Rural Development Act, Pub. L. 87-128, title III, Aug. 8, 1961, 75 Stat. 307. Subtitle D of the Consolidated Farm and Rural Development Act is classified principally to subchapter IV (§1981 et seq.) of chapter 50 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 1921 of Title 7 and Tables.

Section 341 of that Act is set out as a note under section 1921 of Title 7.

CODIFICATION

Section was formerly classified to section 492 of this title prior to editorial reclassification and renumbering as this section.

AMENDMENTS

1990—Pub. L. 101-624 substituted “section 307(a)(3)(B)” for “section 307(a)”.

§ 5142. Reduction of unpaid principal

(a) In general

The Secretary of Agriculture may, on the application of the borrower of a loan or loans made under sections 5136 to 5143 of this title, reduce the unpaid principal balance of such loan or loans to the current fair market value of the land purchased with the proceeds of the loan or loans if—