

used within a State shall, to the extent necessary to satisfy pending applications under this chapter, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.

**(d) Report**

The Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the annual target participation rates and the success in meeting such rates.

**(e) Definitions**

**(1) Socially disadvantaged group**

As used in this section, the term “socially disadvantaged group” means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

**(2) Socially disadvantaged farmer or rancher**

As used in this section, the term “socially disadvantaged farmer or rancher” means a farmer or rancher who is a member of a socially disadvantaged group.

**(f) Implementation consistent with Supreme Court holding**

Not later than 180 days after April 4, 1996, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in *Adarand Constructors, Inc. v. Federico Pena*, Secretary of Transportation, 115 S. Ct. 2097 (1995).

(Pub. L. 87-128, title III, §355, as added Pub. L. 100-233, title VI, §617, Jan. 6, 1988, 101 Stat. 1682; amended Pub. L. 101-624, title XVIII, §1817, title XXV, §2501(f), Nov. 28, 1990, 104 Stat. 3829, 4065; Pub. L. 102-554, §21(a), (b), Oct. 28, 1992, 106 Stat. 4161; Pub. L. 104-127, title VI, §647, Apr. 4, 1996, 110 Stat. 1104; Pub. L. 107-171, title V, §5315, May 13, 2002, 116 Stat. 348.)

REFERENCES IN TEXT

For definition of “this chapter”, referred to in subsecs. (c)(2), see note set out under section 1921 of this title.

AMENDMENTS

2002—Subsec. (c)(2). Pub. L. 107-171 substituted “Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this chapter, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.” for “Any funds reserved and allocated for purposes of this paragraph, but not used shall be reallocated within such State.”

1996—Subsec. (f). Pub. L. 104-127 added subsec. (f).

1992—Subsec. (a)(2). Pub. L. 102-554, §21(a)(1), substituted “Except as provided in paragraph (3), in establishing” for “In establishing”.

Subsec. (a)(3). Pub. L. 102-554, §21(a)(2), added par. (3).

Subsec. (e)(1). Pub. L. 102-554, §21(b), substituted “, ethnic, or gender” for “or ethnic”.

1990—Subsec. (b)(3). Pub. L. 101-624, §1817, added par. (3).

Subsecs. (c), (d). Pub. L. 101-624, §2501(f)(1)–(3), added subsec. (c), redesignated former subsec. (c) as (d), and

struck out former subsec. (d) which read as follows: “As used in this section, the term ‘socially disadvantaged group’ means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.”

Subsec. (e). Pub. L. 101-624, §2501(f)(4), added subsec. (e).

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which the report required by subsec. (d) of this section is listed on page 44), see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.

**§ 2004. Expedited clearing of title to inventory property**

The Farmers Home Administration may employ local attorneys, on a case-by-case basis, to process all legal procedures necessary to clear the title to foreclosed properties in the inventory of the Farmers Home Administration. Such attorneys shall be compensated at not more than their usual and customary charges for such work.

(Pub. L. 87-128, title III, §356, as added Pub. L. 100-233, title VI, §618, Jan. 6, 1988, 101 Stat. 1683.)

**§ 2005. Payment of losses on guaranteed loans**

**(a) Payments to lenders**

**(1) Requirement**

Within 3 months after a court of competent jurisdiction confirms a plan of reorganization under chapter 12 of title 11, for any borrower to whom a lender has made a loan guaranteed under this chapter, the Secretary shall pay the lender an amount estimated by the Secretary to be equal to the loss incurred by the lender for purposes of the guarantee.

**(2) Payment toward loan guarantee**

Any amount paid to a lender under this subsection with respect to a loan guaranteed under this chapter shall be treated as payment towards satisfaction of the loan guarantee.

**(b) Administration**

**(1) Loss by lender**

If the lender of a guaranteed farmer program loan takes any action described in section 1981(b)(4) of this title with respect to the loan and the Secretary approves such action, then, for purposes of the guarantee, the lender shall be treated as having sustained a loss equal to the amount by which—

(A) the outstanding balance of the loan immediately before such action, exceeds

(B) the outstanding balance of the loan immediately after such action.

**(2) Net present value of loan**

The Secretary shall approve the taking of an action described in section 1981(b)(4) of this title by the lender of a guaranteed farmer program loan with respect to the loan if such action reduces the net present value of the loan to an amount equal to not less than the greatest of—

(A) the greatest net present value of a loan the borrower could reasonably be expected to repay; and