

ments to guarantee notes and obligations under this subchapter with an aggregate principal amount not to exceed \$400,000,000 for each of fiscal years 2009 through 2013.

(b) Authorization of appropriations for credit subsidy

There are authorized to be appropriated to cover the costs (as such term is defined in section 661a of title 2) of guarantees under this subchapter such sums as may be necessary for each of fiscal years 2009 through 2013.

(c) Aggregate outstanding limitation

The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to this subchapter shall not at any time exceed \$2,000,000,000 or such higher amount as may be authorized to be appropriated for this subchapter for any fiscal year.

(d) Fiscal year limitations on tribes

The Secretary shall monitor the use of guarantees under this subchapter by Indian tribes. If the Secretary finds that 50 percent of the aggregate guarantee authority under subsection (c) has been committed, the Secretary may—

- (1) impose limitations on the amount of guarantees any one Indian tribe may receive in any fiscal year of \$50,000,000; or
- (2) request the enactment of legislation increasing the aggregate outstanding limitation on guarantees under this subchapter.

(Pub. L. 104-330, title VI, § 605, Oct. 26, 1996, 110 Stat. 4047; Pub. L. 107-292, § 2(b), Nov. 13, 2002, 116 Stat. 2053; Pub. L. 110-411, title VII, § 701(b), Oct. 14, 2008, 122 Stat. 4334.)

Editorial Notes

AMENDMENTS

2008—Subsecs. (a), (b). Pub. L. 110-411 substituted “2009 through 2013” for “1997 through 2007”.

2002—Subsecs. (a), (b). Pub. L. 107-292 substituted “1997 through 2007” for “1997, 1998, 1999, 2000, and 2001”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective Oct. 26, 1996, see section 606 of Pub. L. 104-330, set out as a note under section 4191 of this title.

§ 4196. Demonstration program for guaranteed loans to finance tribal community and economic development activities

(a) Authority

(1) In general

Subject to paragraph (2), to the extent and in such amounts as are provided in appropriation Acts, subject to the requirements of this section, and in accordance with such terms and conditions as the Secretary may prescribe, the Secretary may guarantee and make commitments to guarantee the notes and obligations issued by Indian tribes or tribally designated housing entities with tribal approval, for the purposes of financing activities carried out on Indian reservations and in other Indian areas that, under the first sentence of section 5308(a) of title 42, are eligible for financing

with notes and other obligations guaranteed pursuant to that section.

(2) Limitation

The Secretary may guarantee, or make commitments to guarantee, under paragraph (1) the notes or obligations of not more than 4 Indian tribes or tribally designated housing entities located in each Department of Housing and Urban Development Office of Native American Programs region.

(b) Low-income benefit requirement

Not less than 70 percent of the aggregate amount received by an Indian tribe or tribally designated housing entity as a result of a guarantee under this section shall be used for the support of activities that benefit low-income families on Indian reservations and other Indian areas.

(c) Financial soundness

(1) In general

The Secretary shall establish underwriting criteria for guarantees under this section, including fees for the guarantors, as the Secretary determines to be necessary to ensure that the program under this section is financially sound.

(2) Amounts of fees

Fees for guarantees established under paragraph (1) shall be established in amounts that are sufficient, but do not exceed the minimum amounts necessary, to maintain a negative credit subsidy for the program under this section, as determined based on the risk to the Federal Government under the underwriting requirements established under paragraph (1).

(d) Terms of obligations

(1) In general

Each note or other obligation guaranteed pursuant to this section shall be in such form and denomination, have such maturity, and be subject to such conditions as the Secretary may prescribe, by regulation.

(2) Limitation

The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless—

- (A) the period is more than 20 years; or
- (B) the Secretary determines that the period would cause the guarantee to constitute an unacceptable financial risk.

(e) Limitation on percentage

A guarantee made under this section shall guarantee repayment of 95 percent of the unpaid principal and interest due on the note or other obligation guaranteed.

(f) Security and repayment

(1) Requirements on issuer

To ensure the repayment of notes and other obligations and charges incurred under this section and as a condition for receiving the guarantees, the Secretary shall require the Indian tribe or housing entity issuing the notes or obligations—

- (A) to enter into a contract, in a form acceptable to the Secretary, for repayment of

notes or other obligations guaranteed under this section;

(B) to demonstrate that the extent of each issuance and guarantee under this section is within the financial capacity of the Indian tribe; and

(C) to furnish, at the discretion of the Secretary, such security as the Secretary determines to be appropriate in making the guarantees, including increments in local tax receipts generated by the activities assisted by a guarantee under this section or disposition proceeds from the sale of land or rehabilitated property, except that the security may not include any grant amounts received or for which the issuer may be eligible under subchapter I.

(2) Full faith and credit

(A) In general

The full faith and credit of the United States is pledged to the payment of all guarantees made under this section.

(B) Treatment of guarantees

(i) In general

Any guarantee made by the Secretary under this section shall be conclusive evidence of the eligibility of the obligations for the guarantee with respect to principal and interest.

(ii) Incontestable nature

The validity of any such a guarantee shall be incontestable in the hands of a holder of the guaranteed obligations.

(g) Training and information

The Secretary, in cooperation with Indian tribes and tribally designated housing entities, may carry out training and information activities with respect to the guarantee program under this section.

(h) Limitations on amount of guarantees

(1) Aggregate fiscal year limitation

Notwithstanding any other provision of law, subject only to the absence of qualified applicants or proposed activities and to the authority provided in this section, and to the extent approved or provided for in appropriations Acts, the Secretary may enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount not to exceed \$200,000,000 for each of fiscal years 2009 through 2013.

(2) Authorization of appropriations for credit subsidy

There are authorized to be appropriated to cover the costs (as defined in section 661a of title 2) of guarantees under this section \$1,000,000 for each of fiscal years 2009 through 2013.

(3) Aggregate outstanding limitation

The total amount of outstanding obligations guaranteed on a cumulative basis by the Secretary pursuant to this section shall not at any time exceed \$1,000,000,000 or such higher amount as may be authorized to be appropriated for this section for any fiscal year.

(4) Fiscal year limitations on Indian tribes

(A) In general

The Secretary shall monitor the use of guarantees under this section by Indian tribes.

(B) Modifications

If the Secretary determines that 50 percent of the aggregate guarantee authority under paragraph (3) has been committed, the Secretary may—

(i) impose limitations on the amount of guarantees pursuant to this section that any single Indian tribe may receive in any fiscal year of \$25,000,000; or

(ii) request the enactment of legislation increasing the aggregate outstanding limitation on guarantees under this section.

(i) Report

Not later than 4 years after October 14, 2008, the Secretary shall submit to Congress a report describing the use of the authority under this section by Indian tribes and tribally designated housing entities, including—

(1) an identification of the extent of the use and the types of projects and activities financed using that authority; and

(2) an analysis of the effectiveness of the use in carrying out the purposes of this section.

(j) Termination

The authority of the Secretary under this section to make new guarantees for notes and obligations shall terminate on October 1, 2013.

(Pub. L. 104-330, title VI, § 606, as added Pub. L. 110-411, title VI, § 601(a), Oct. 14, 2008, 122 Stat. 4331.)

Editorial Notes

CODIFICATION

Another section 606 of Pub. L. 104-330 is set out as an Effective Date note under section 4191 of this title.

SUBCHAPTER VII—OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

§ 4211. 50-year leasehold interest in trust or restricted lands for housing purposes

(a) Authority to lease

Notwithstanding any other provision of law, any trust or restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, subject to the approval of the affected Indian tribe and the Secretary of the Interior, for housing development and residential purposes.

(b) Term

Each lease pursuant to subsection (a) shall be for a term not exceeding 50 years.

(c) Rule of construction

This section may not be construed to repeal, limit, or affect any authority to lease any trust or restricted Indian lands that—

(1) is conferred by or pursuant to any other provision of law; or

(2) provides for leases for any period exceeding 50 years.