

- (D) if applicable, other guarantees related to the project;
- (E) if applicable, the projected employment of each vessel or equipment to be financed with an obligation;
- (F) if applicable, the projected market that will be served by each vessel or equipment to be financed with an obligation;
- (G) the collateral provided for a guarantee for an obligation;
- (H) the management and operating experience of an obligor or applicant for a guarantee;
- (I) whether a guarantee under this chapter is or will be in effect during the construction period of the project; and
- (J) the concentration risk presented by an unduly large percentage of loans outstanding by any one borrower or group of affiliated borrowers.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1604; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(C), Jan. 6, 2006, 119 Stat. 3555; Pub. L. 110-181, div. C, title XXXV, §3522(a)(10)(B), (b), Jan. 28, 2008, 122 Stat. 598; Pub. L. 116-92, div. C, title XXXV, §3506(d), Dec. 20, 2019, 133 Stat. 1972.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53704(a)	46 App.:1273(f) (1st sentence).	June 29, 1936, ch. 858, title XI, §1103(f), 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. 93-70, §3, July 10, 1973, 87 Stat. 168; Pub. L. 94-127, §5, Nov. 13, 1975, 89 Stat. 681; Pub. L. 95-298, §5, June 26, 1978, 92 Stat. 340; Pub. L. 96-320, title II, §203(b)(1), Aug. 3, 1980, 94 Stat. 994; Pub. L. 96-561, title II, §220(2), Dec. 22, 1980, 94 Stat. 3292; Pub. L. 97-35, title XVI, §1606(a), (b), Aug. 13, 1981, 95 Stat. 752; Pub. L. 97-424, title IV, §425, Jan. 6, 1983, 96 Stat. 2167; Pub. L. 103-160, title XIII, §1356(2)(A), Nov. 30, 1993, 107 Stat. 1812; Pub. L. 108-136, title XXXV, §3528(b), Nov. 24, 2003, 117 Stat. 1802.
53704(b)	46 App.:1273(f) (2d, last sentences).	
53704(c)	46 App.:1273(h).	June 29, 1936, ch. 858, title XI, §1103(h), as added Pub. L. 104-239, §13(a), Oct. 8, 1996, 110 Stat. 3134; Pub. L. 108-136, title XXXV, §3528(b), Nov. 24, 2003, 117 Stat. 1802.

Editorial Notes

AMENDMENTS

2019—Subsec. (a). Pub. L. 116-92, §3506(d)(1), substituted “that amount, \$850,000,000 shall be limited to obligations related to fishing vessels and fishery facilities.” for “that amount—” and pars. (1) and (2) which read as follows:
 “(1) \$850,000,000 shall be limited to obligations related to fishing vessels and fishery facilities; and
 “(2) \$3,000,000,000 shall be limited to obligations related to eligible export vessels.”

Subsec. (c)(4). Pub. L. 116-92, §3506(d)(2), redesignated subpars. (B) to (K) as (A) to (J), respectively, and struck out former subpar. (A) which read as follows: “if applicable, the country risk for each eligible export vessel financed or to be financed by an obligation;”
 2008—Pub. L. 110-181, §3522(b), repealed Pub. L. 109-163, §3507(a)(1)(C). See 2006 Amendment note below.
 Subsec. (c). 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” 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)(C), which directed the amendment of section 1273(h) of the former Appendix to this title from which subsec. (c) of this section was derived, was repealed by Pub. L. 110-181, §3522(b). See 2008 Amendment note for subsec. (c) and Historical and Revision notes above.

§ 53705. Pledge of United States Government

(a) FULL FAITH AND CREDIT.—The full faith and credit of the United States Government is pledged to the payment of a guarantee made under this chapter, for both principal and interest, including interest (as may be provided for in the guarantee) accruing between the date of default under a guaranteed obligation and the date of payment in full of the guarantee.
 (b) INCONTESTABILITY.—A guarantee or commitment to guarantee made under this chapter is conclusive evidence of the eligibility of the obligation for the guarantee. The validity of a guarantee or commitment to guarantee made under this chapter is incontestable.

(Pub. L. 109-304, §8(c), Oct. 6, 2006, 120 Stat. 1606; Pub. L. 109-163, div. C, title XXXV, §3507(a)(1)(C), Jan. 6, 2006, 119 Stat. 3555; Pub. L. 110-181, div. C, title XXXV, §3522(b), Jan. 28, 2008, 122 Stat. 598.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
53705(a)	46 App.:1273(d).	June 29, 1936, ch. 858, title XI, §1103(d), (e) (1st sentence), 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. 98-595, §1(1), Oct. 30, 1984, 98 Stat. 3130.
53705(b)	46 App.:1273(e) (1st sentence).	

Editorial Notes

AMENDMENTS

2008—Pub. L. 110-181 repealed Pub. L. 109-163, §3507(a)(1)(C). See 2006 Amendment note below.
 2006—Pub. L. 109-163, §3507(a)(1)(C), which directed the amendment of section 1273(e) of the former Appendix to this title from which this section was derived in part by striking “Secretary” each place it appears and inserting “Secretary or Administrator”, was repealed by Pub. L. 110-181. See Historical and Revision notes above.

§ 53706. Eligible purposes of obligations

(a) IN GENERAL.—To be eligible for a guarantee under this chapter, an obligation must aid in any of the following:

(1)(A) Financing (including reimbursement of an obligor for expenditures previously made for) the construction, reconstruction, or reconditioning of a vessel designed principally for research, or for commercial use—

- (i) in the coastwise or intercoastal trade;
- (ii) on the Great Lakes, or on bays, sounds, rivers, harbors, or inland lakes of the United States;
- (iii) in foreign trade as defined in section 109(b) of this title;
- (iv) as an ocean thermal energy conversion facility or plantship; or
- (v) as a floating drydock in the construction, reconstruction, reconditioning, or repair of vessels.

(B) A guarantee under subparagraph (A) may not be made more than one year after delivery of the vessel (or redelivery if the vessel was reconstructed or reconditioned) unless the proceeds of the obligation are used to finance the construction, reconstruction, or reconditioning of a vessel or of facilities or equipment related to marine operations.

(2) Financing (including reimbursement of an obligor for expenditures previously made for) the construction, reconstruction, reconditioning, or purchase of a vessel owned by citizens of the United States and designed principally for research, or for commercial use in the fishing industry.

(3) Financing the purchase, reconstruction, or reconditioning of a vessel or fishery facility—

- (A) for which an obligation was guaranteed under this chapter; and
- (B) that, under subchapter II of this chapter—
 - (i) is a vessel or fishery facility for which an obligation was accelerated and paid;
 - (ii) was acquired by the Federal Ship Financing Fund or successor account under section 53717 of this title; or
 - (iii) was sold at foreclosure begun or intervened in by the Secretary or Administrator.

(4) Financing any part of the repayment to the United States Government of any amount of a construction-differential subsidy paid for a vessel.

(5) Refinancing an existing obligation (regardless of whether guaranteed under this chapter) issued for a purpose described in paragraphs (1)–(4), including a short-term obligation incurred to obtain temporary funds with the intention of refinancing.

(6) Financing or refinancing (including reimbursement of an obligor for expenditures previously made for) the construction, reconstruction, reconditioning, or purchase of a fishery facility.

(7) Financing or refinancing—

(A) the purchase of individual fishing quotas in accordance with section 303(d)(4) of the Magnuson-Stevens Fishery Conservation and Management Act (including the reimbursement of obligors for expenditures previously made for such a purchase);

(B) activities that assist in the transition to reduced fishing capacity; or

(C) technologies or upgrades designed to improve collection and reporting of fishery-dependent data, to reduce bycatch, to improve selectivity or reduce adverse impacts of fishing gear, or to improve safety.

(b) NON-VESSELS TREATED AS VESSELS.—An obligation guaranteed under subsection (a)(6) or (7) shall be treated, for purposes of this chapter, in the same manner and to the same extent as an obligation that aids in financing the construction, reconstruction, reconditioning, or purchase of a vessel, except with respect to provisions that by their nature can only be applied to vessels.

(c) PRIORITIES FOR CERTAIN VESSELS.—

(1) VESSELS.—In guaranteeing or making a commitment to guarantee an obligation under this chapter, the Administrator shall give priority to—

(A) a vessel that is otherwise eligible for a guarantee and is constructed with assistance under subtitle D of the Maritime Security Act of 2003 (46 U.S.C. 53101 note);

(B) after applying subparagraph (A), a vessel that is otherwise eligible for a guarantee and that the Secretary of Defense determines—

- (i) is suitable for service as a naval auxiliary in time of war or national emergency; and
- (ii) meets a shortfall in sealift capacity or capability; and

(C) after applying subparagraphs (A) and (B), Vessels of National Interest.

(2) TIME FOR DETERMINATION.—The Secretary of Defense shall determine whether a vessel satisfies paragraph (1)(B) not later than 30 days after receipt of a request from the Administrator for such a determination.

(Pub. L. 109–304, § 8(c), Oct. 6, 2006, 120 Stat. 1606; Pub. L. 109–163, div. C, title XXXV, § 3507(a)(1)(D), (2)(A), (B), (b)(2), Jan. 6, 2006, 119 Stat. 3555, 3556; Pub. L. 109–479, title II, § 209, Jan. 12, 2007, 120 Stat. 3617; Pub. L. 110–181, div. C, title XXXV, § 3522(a)(2), (10)(B), (b), Jan. 28, 2008, 122 Stat. 596, 598; Pub. L. 116–92, div. C, title XXXV, § 3506(e), Dec. 20, 2019, 133 Stat. 1972.)