

tered as a single Indian Revolving Loan Fund. The fund shall be available for loans to Indians having a form of organization that is satisfactory to the Secretary and for loans to individual Indians: *Provided*, That, where the Secretary determines a rejection of a loan application from a member of an organization making loans to its membership from moneys borrowed from the fund is unwarranted, he may, in his discretion, make a direct loan to such individual from the fund. The fund shall also be available for administrative expenses incurred in connection therewith, or, in the discretion of the Secretary of the Interior, as a contribution to the Indian Loan Guaranty and Insurance Fund authorized by section 1497 of this title, or for the payment of interest subsidies authorized by section 1511 of this title.

(Pub. L. 93-262, title I, § 101, Apr. 12, 1974, 88 Stat. 78; Pub. L. 98-449, § 2, Oct. 4, 1984, 98 Stat. 1725; Pub. L. 101-644, title III, § 303(a), Nov. 29, 1990, 104 Stat. 4667.)

Editorial Notes

REFERENCES IN TEXT

Act of June 18, 1934, referred to in text, is act June 18, 1934, ch. 576, 48 Stat. 984, popularly known as the Indian Reorganization Act, which is classified generally to chapter 45 (§ 5101 et seq.) of this title. Provisions of the act establishing the revolving fund are set out in section 5113 of this title. 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. Provisions of the Act relating to the revolving fund appear in section 5206 of this title.

Act of April 19, 1950, referred to in text, is act Apr. 19, 1950, ch. 92, 64 Stat. 44, which was classified generally to subchapter XXI (§ 631 et seq.) of chapter 14 of this title and was omitted from the Code as being of special and not general application.

AMENDMENTS

1990—Pub. L. 101-644 substituted “money markets, or to supplement funds from private lenders, including loans guaranteed by the Secretary pursuant to section 1481 of this title,” for “money markets,” in first sentence and inserted before period at end of third sentence “, or, in the discretion of the Secretary of the Interior, as a contribution to the Indian Loan Guaranty and Insurance Fund authorized by section 1497 of this title, or for the payment of interest subsidies authorized by section 1511 of this title”.

1984—Pub. L. 98-449 which directed that “which are not members of or eligible for membership in an organization which is making loans to its members” be struck out was executed by striking out “who are not members of or eligible for membership in an organization which is making loans to its members” before proviso.

§ 1462. Economic development; educational loans; limitation of loans to or investments in non-Indian organizations

Loans may be made for any purpose which will promote the economic development of (a) the individual Indian borrower, including loans for

educational purposes, and (b) the Indian organization and its members including loans by such organizations to other organizations and investments in other organizations regardless of whether they are organizations of Indians: *Provided*, That not more than 50 per centum of loan made to an organization shall be used by such organization for the purpose of making loans to or investments in non-Indian organizations.

(Pub. L. 93-262, title I, § 102, Apr. 12, 1974, 88 Stat. 78.)

§ 1463. Repayment of loan; financing from other sources

Loans may be made only when, in the judgment of the Secretary, there is a reasonable prospect of repayment, and only to applicants who in the opinion of the Secretary are unable to obtain financing from other sources on reasonable terms and conditions.

(Pub. L. 93-262, title I, § 103, Apr. 12, 1974, 88 Stat. 78.)

§ 1464. Maturity of loans; interest rate; interest deferral on educational loans

Loans shall be for terms that do not exceed thirty years and shall bear interest at (a) a rate determined by the Secretary of the Treasury taking into consideration the market yield on municipal bonds: *Provided*, That in no event shall the rate be greater than the rate determined by the Secretary of the Treasury taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus (b) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purpose: *Provided*, That educational loans may provide for interest to be deferred while the borrower is in school or in the military service.

(Pub. L. 93-262, title I, § 104, Apr. 12, 1974, 88 Stat. 78.)

§ 1465. Modification of amount of loan and document securing loan in collection of loan or in best interests of the United States

The Secretary may cancel, adjust, compromise, or reduce the amount of any loan or any portion thereof heretofore or hereafter made from the revolving loan fund established by this subchapter and its predecessor constituent funds which he determines to be uncollectable in whole or in part, or which is collectable only at an unreasonable cost, or when such action would, in his judgment, be in the best interests of the United States. He may also adjust, compromise, subordinate, or modify the terms of any mortgage, lease, assignment, contract, agreement, or other document taken to secure such loans.

(Pub. L. 93-262, title I, § 105, Apr. 12, 1974, 88 Stat. 78; Pub. L. 98-449, § 3, Oct. 4, 1984, 98 Stat. 1725.)

Editorial Notes

AMENDMENTS

1984—Pub. L. 98-449 struck out proviso at end of first sentence which provided that proceedings pursuant to

this section would be effective only after following the procedure set out in section 386a of this title.

§ 1466. Land and personal property title

Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to any personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser.

(Pub. L. 93-262, title I, § 106, Apr. 12, 1974, 88 Stat. 78.)

§ 1467. Security for loan; assignment of securities; reasonable assurance of repayment

Any organization receiving a loan from the revolving loan fund shall be required to assign to the United States as security for the loan all securities acquired in connection with the loans made to its members from such funds unless the Secretary determines that the repayment of the loan to the United States is otherwise reasonably assured.

(Pub. L. 93-262, title I, § 107, Apr. 12, 1974, 88 Stat. 79.)

§ 1468. Authorization of appropriations

There is authorized to be appropriated, to provide capital and to restore any impairment of capital for the revolving loan fund \$50,000,000 exclusive of prior authorizations and appropriations.

(Pub. L. 93-262, title I, § 108, Apr. 12, 1974, 88 Stat. 79.)

§ 1469. Rules and regulations

The Secretary shall promulgate rules and regulations to carry out the provisions of this subchapter.

(Pub. L. 93-262, title I, § 109, Apr. 12, 1974, 88 Stat. 79.)

SUBCHAPTER II—LOAN GUARANTY AND INSURANCE

§ 1481. Loan guaranties and insurance

(a) In general

In order to provide access to private money sources which otherwise would not be available, the Secretary may—

(1) guarantee not to exceed 90 per centum of the unpaid principal and interest due on any loan made to any organization of Indians having a form or organization satisfactory to the Secretary, and to individual Indians; or

(2) insure loans under an agreement approved by the Secretary whereby the lender

will be reimbursed for losses in an amount not to exceed 15 per centum of the aggregate of such loans made by it, but not to exceed 90 per centum of the loss on any one loan.

(b) Eligible borrowers

The Secretary may guarantee or insure loans under subsection (a) to both for-profit and non-profit borrowers.

(Pub. L. 93-262, title II, § 201, Apr. 12, 1974, 88 Stat. 79; Pub. L. 98-449, § 4, Oct. 4, 1984, 98 Stat. 1725; Pub. L. 109-221, title IV, § 401(a), May 12, 2006, 120 Stat. 341.)

Editorial Notes

AMENDMENTS

2006—Pub. L. 109-221, § 401(a)(1), (2), (4), inserted section catchline, designated existing provisions as subsec. (a) and inserted heading, substituted “the Secretary may—

“(1) guarantee”

for “Secretary is authorized (a) to guarantee”, and added subsec. (b).

Pub. L. 109-221, § 401(a)(3), which directed substitution of “members; or

“(2) insure”

for “members; and (b) in lieu of such guaranty, to insure”, was executed by making the substitution for “and (b) in lieu of such guaranty, to insure” to reflect the probable intent of Congress and the amendment by Pub. L. 98-449. See 1984 Amendment note below.

1984—Pub. L. 98-449 struck out “who are not members of or eligible for membership in an organization which is making loans to its members” before “; and (b)”.

§ 1482. Premium charges; deposits in Indian Loan Guaranty and Insurance Fund

The Secretary shall fix such premium charges for the insurance and guarantee of loans as are in his judgment adequate to cover expenses and probable losses, and deposit receipts from such charges in the Indian Loan Guaranty and Insurance Fund established pursuant to section 1497(a) of this title.

(Pub. L. 93-262, title II, § 202, Apr. 12, 1974, 88 Stat. 79.)

§ 1483. Interest rate

Loans guaranteed or insured pursuant to this subchapter shall bear interest (exclusive of premium charges for insurance, and service charge, if any) at rates not to exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable taking into consideration the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

(Pub. L. 93-262, title II, § 203, Apr. 12, 1974, 88 Stat. 79.)

§ 1484. Application for loan; approval by Secretary; issuance of certificate; limitations on amount of loans to individual Indians or economic enterprises; review by Secretary

The application for a loan to be guaranteed hereunder shall be submitted to the Secretary for approval. The Secretary may review each loan application individually and independently from the lender. Upon approval, the Secretary