

or Rancher Contract Land Sales Program must be implemented for the 2011 Fiscal Year. (Pub. L. 87-128, title III, §310F, as added Pub. L. 107-171, title V, §5006, May 13, 2002, 116 Stat. 342; amended Pub. L. 110-234, title V, §5005, May 22, 2008, 122 Stat. 1145; Pub. L. 110-246, §4(a), title V, §5005, June 18, 2008, 122 Stat. 1664, 1906.)

Editorial Notes

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 L. 110-234 were repealed by section 4(a) of Pub.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.

PRIOR PROVISIONS

A prior section 1936, Pub. L. 87-128, title III, §310F, as added Pub. L. 102-554, §7(b), Oct. 28, 1992, 106 Stat. 4146, related to availability of farm ownership loans and loan guarantees for certain qualified beginning farmers and ranchers, prior to repeal by Pub. L. 104-127, title VI, §616(b), Apr. 4, 1996, 110 Stat. 1090.

AMENDMENTS

2008—Pub. L. 110-246, §5005, amended section generally, substituting provisions relating to guarantee of a loan made by a private seller of a farm or ranch to a qualified beginning farmer or rancher or socially disadvantaged farmer or rancher on a contract land sales basis, for similar provisions relating to a pilot program in fiscal years 2003 through 2007.

Statutory Notes and Related Subsidiaries

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 this title.

§ 1936a. Use of rural development loans and grants for other purposes

If, after making a loan or a grant described in section 2009d(d) of this title, the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

- (1) will be carried out in the same area as the original project or activity;
- (2) meets the criteria for a loan or a grant described in section 2009d(d) of this title; and
- (3) satisfies such additional requirements as are established by the Secretary.

(Pub. L. 87-128, title III, §310G, as added Pub. L. 107-171, title VI, §6018, May 13, 2002, 116 Stat. 361.)

§ 1936b. Intermediary relending program

(a) In general

The Secretary may make or guarantee loans to eligible entities described in subsection (b) so that the eligible entities may relend the funds

to individuals and entities for the purposes described in subsection (c).

(b) Eligible entities

Entities eligible for loans and loan guarantees described in subsection (a) are—

- (1) public agencies;
- (2) Indian tribes;
- (3) cooperatives; and
- (4) nonprofit corporations.

(c) Eligible purposes

The proceeds from loans made or guaranteed by the Secretary pursuant to subsection (a) may be relent by eligible entities for projects that—

- (1) predominately serve communities in rural areas; and
- (2) as determined by the Secretary—
 - (A) promote community development;
 - (B) establish new businesses;
 - (C) establish and support microlending programs; and
 - (D) create or retain employment opportunities.

(d) Limitation

The Secretary shall not make loans under section 9812(a) of title 42.

(e) Limitation on loan amounts

The maximum amount of a loan by an eligible entity described in subsection (b) to individuals and entities for a project under subsection (c), including the unpaid balance of any existing loans, shall be the lesser of—

- (1) \$400,000; and
- (2) 50 percent of the loan to the eligible entity under subsection (a).

(f) Applications

(1) In general

To be eligible to receive a loan or loan guarantee under subsection (a), an eligible entity described in subsection (b) shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(2) Evaluation

In evaluating applications submitted under paragraph (1), the Secretary shall—

- (A)(i) take into consideration the previous performance of an eligible entity in carrying out projects under subsection (c); and
- (ii) in the case of satisfactory performance under clause (i), require the eligible entity to contribute less equity for subsequent loans without modifying the priority given to subsequent applications; and
- (B) in assigning priorities to applications, require an eligible entity to demonstrate that it has a governing or advisory board made up of business, civic, and community leaders who are representative of the communities of the service area, without limitation to the size of the service area.

(g) Return of equity

The Secretary shall establish a schedule that is consistent with the amortization schedules of the portfolio of loans made or guaranteed under subsection (a) for the return of any equity contribution made under this section by an eligible