

119TH CONGRESS
2D SESSION

H. R. 8661

To authorize the Secretary of State to provide certain direct loans and loan guarantees for the procurement of defense articles, defense services, and design and construction services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2026

Mr. MAST introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To authorize the Secretary of State to provide certain direct loans and loan guarantees for the procurement of defense articles, defense services, and design and construction services, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Foreign Military Fi-
5 nancing Loan Authorization Act of 2026”.

1 **SEC. 2. AUTHORIZATION FOR DIRECT LOANS AND LOAN**
2 **GUARANTEES.**

3 (a) AUTHORIZATION.—The Secretary of State is au-
4 thorized to provide, to any country or international organi-
5 zation the Secretary determines appropriate and con-
6 sistent with United States national security interests—

7 (1) direct loans for the purpose of financing the
8 procurement of defense articles, defense services,
9 and design and construction services pursuant to
10 section 23 of the Arms Export Control Act (22
11 U.S.C. 2763); and

12 (2) loan guarantees for the purpose of financing
13 the procurement of defense articles, defense services,
14 and design and construction services pursuant to
15 section 24 of such Act (22 U.S.C. 2764).

16 (b) LOAN RATE AND REPAYMENT AUTHORITY.—The
17 Secretary is authorized to establish the rate of interest,
18 repayment schedule, and repayment terms applicable to
19 direct loans authorized under subsection (a)(1).

20 (c) CONDITIONS AND LIMITATIONS.—Except as au-
21 thorized in subsection (b), any direct loan or loan guar-
22 antee authorized under subsection (a) shall be subject to—

23 (1) the terms, conditions, eligibility require-
24 ments, and limitations set forth in section 23 of the
25 Arms Export Control Act (22 U.S.C. 2763);

1 (2) such additional terms and conditions as the
2 Secretary may prescribe; and

3 (3) the availability of funds appropriated by
4 Congress for purposes of this section.

5 **SEC. 3. AUTHORIZING THE DEPARTMENT OF STATE TO OB-**
6 **LIGATE FUNDS FROM THE FOREIGN MILI-**
7 **TARY SALES ADMINISTRATIVE SURCHARGE**
8 **FUND.**

9 Funds deposited pursuant to section 21(e)(1)(A) of
10 the Arms Export Control Act (22 U.S.C. 2761(e)(1)(A))
11 may be obligated by the Department of State for the pur-
12 pose of carrying out activities pursuant to such Act (22
13 U.S.C. 2751 et seq.).

14 **SEC. 4. REPORTING REQUIREMENT.**

15 Not later than 180 days after the date of the enact-
16 ment of this Act, and annually thereafter, the Secretary
17 of State shall submit to the Committee on Foreign Affairs
18 of the House of Representatives and the Committee on
19 Foreign Relations of the Senate a report describing—

20 (1) any direct loan or loan guarantee provided
21 pursuant to section 2(a);

22 (2) the recipient, amount, terms, and purpose
23 of each such loan or guarantee;

1 (3) an assessment of the impact of such loans
2 or guarantees on United States national security ob-
3 jectives; and

4 (4) an assessment of additional resources need-
5 ed by the Department of State to carry out the pro-
6 visions of this Act.

7 **SEC. 5. DEFINITIONS.**

8 In this Act, the terms “defense articles”, “defense
9 services”, and “design and construction services” have the
10 meanings given such terms in section 47 of the Arms Ex-
11 port Control Act (22 U.S.C. 2794).

○