

§611.110

(2) The Secretary and the Comptroller General, or their duly authorized representatives, shall have access, for the purpose of audit and examination, to any pertinent books, documents, papers and records of the Borrower or DOE, as applicable. Such inspection may be made during regular office hours of the Borrower or DOE, as applicable, or at any other time mutually convenient.

(b) The Secretary may from time to time audit any or all statements or certificates submitted to the Secretary. The Borrower will make available to the Secretary all books and records and other data available to the Borrower in order to permit the Secretary to carry out such audits. The Borrower should represent that it has within its rights access to all financial and operational records and data relating to the project financed by the loan, and agrees that it will, upon request by the Secretary, exercise such rights in order to make such financial and operational records and data available to the Secretary. In exercising its rights hereunder, the Secretary may utilize employees of other Federal agencies, independent accountants, or other persons.

(c) Loan funds are being expended efficiently and effectively if documentation submitted and audits conducted under this section demonstrate that the borrower is making appropriate progress toward achieving the purpose for which the loan was originally made.

§611.110 Assignment or transfer of loans.

(a) The Loan Documents may not be modified, in whole or in part, without the prior written approval of DOE.

(b) Upon prior written approval by DOE and the Federal Financing Bank, a certification by the assignor that the assignee is an Eligible Applicant as described in §611.100 of this part, and subject to paragraph (c) of this section and other provisions of this part, a Borrower may assign or transfer its interest in a loan provided under this part, including the loan documents, to a party that qualifies as an Eligible Applicant.

10 CFR Ch. II (1–1–10 Edition)

(c) The provisions of paragraph (b) of this section shall not apply to transfers which occur by operation of law.

§611.111 Default, demand, payment, and collateral liquidation.

(a) In the event that the Borrower has defaulted in the making of required payments of principal or interest, and such default has not been cured within the period of grace provided in the Agreement, DOE may cause the principal amount of the loan, together with accrued interest thereon, and all amounts owed to the United States by Borrower pursuant to the Agreement, to become immediately due and payable by giving the Borrower written notice to such effect.

(b) In the event that the Borrower is in default as a result of a breach of one or more of the terms and conditions of the Agreement, note, mortgage, or other contractual obligations related to the transaction, other than the Borrower's obligation to pay principal or interest on the loan, and DOE determines, in writing, that such a default has materially affected the rights of the parties, the Borrower shall be given the period of grace provided in the Agreement to cure such default. If the default is not cured during the period of grace, DOE may cause the principal amount of the loan, together with accrued interest thereon, and all amounts owed to the United States by Borrower pursuant to the Agreement, to become immediately due and payable by giving the Borrower written notice to such effect.

(c) In the event that the Borrower has defaulted as described in paragraphs (a) or (b) of this section and such default is not cured during the grace period provided in the Agreement, DOE shall notify the U.S. Attorney General. DOE, acting through the U.S. Attorney General, may seek to foreclose on the collateral assets and/or take such other legal action as necessary for the protection of the Government.

(d) If DOE is awarded title to collateral assets pursuant to a foreclosure proceeding, DOE may take action to complete, maintain, operate, or lease the Eligible Facilities, or otherwise

Department of Energy

§ 611.207

dispose of any property acquired pursuant to the Agreement or take any other necessary action which DOE deems appropriate.

(e) In addition to foreclosure and sale of collateral pursuant thereto, the U.S. Attorney General shall take appropriate action in accordance with rights contained in the Agreement to recover costs incurred by the Government as a result of the defaulted loan or other defaulted obligation. Any recovery so received by the U.S. Attorney General on behalf of the Government shall be applied in the following manner: First to the expenses incurred by the U.S. Attorney General and DOE in effecting such recovery; second, to reimbursement of any amounts paid by DOE as a result of the defaulted obligation; third, to any amounts owed to DOE under related principal and interest assistance contracts; and fourth, to any other lawful claims held by the Government on such process. Any sums remaining after full payment of the foregoing shall be available for the benefit of other parties lawfully entitled to claim them.

(f) In the event that DOE considers it necessary or desirable to protect or further the interest of the United States in connection with the liquidation of collateral or recovery of deficiencies due under the loan, DOE will take such action as may be appropriate under the circumstances.

§ 611.112 Termination of obligations.

DOE, the Federal Financing Bank, and the Borrower shall have such rights to terminate the Agreement as are set forth in the loan documents.

Subpart C—Facility/Funding Awards

§ 611.200 Purpose and scope.

This subpart sets forth the policies and procedures applicable to the award and administration of grants by DOE for advanced technology vehicle manufacturing facilities as authorized by section 136(b) of the Energy Independence and Security Act (Pub. L. 110-140).

§ 611.201 Applicability.

Except as otherwise provided by this subpart, the award and administration

of grants shall be governed by 10 CFR part 600 (DOE Financial Assistance Rules).

§ 611.202 Advanced Technology Vehicle Manufacturing Facility Award Program.

DOE may issue, under the Advanced Technology Vehicle Manufacturing Facility Award Program, 10 CFR part 611, subpart C, awards for eligible projects.

§ 611.203 Eligibility.

In order to be eligible for an award, an applicant must be either—

(a) An automobile manufacturer that can demonstrate an improved fuel economy as specified in paragraph (b) of section 611.3, or

(b) A manufacturer of a qualifying component.

§ 611.204 Awards.

Awards issued for eligible projects shall be for an amount of no more than 30 percent of the eligible project costs.

§ 611.205 Period of award availability.

An award under section 611.204 shall apply to—

(a) Facilities and equipment placed in service before December 30, 2020; and

(b) Engineering integration costs incurred during the period beginning on December 19, 2007 and ending on December 30, 2020.

§ 611.206 Existing facilities.

The Secretary shall, in making awards to those manufacturers that have existing facilities, give priority to those facilities that are oldest or have been in existence for at least 20 years. Such facilities can currently be sitting idle.

§ 611.207 Small automobile and component manufacturers.

(a) In this section, the term “covered firm” means a firm that—

(1) Employs less than 500 individuals; and

(2) Manufactures automobiles or components of automobiles.

(b) *Set Aside*—Of the amount of funds that are used to provide awards for each fiscal year under this subpart, not less than 10 percent shall be used to