Agency for International Development

Subpart D—Covenants

§ 221.31 Prosecution of claims.

After payment by A.I.D. to an Applicant pursuant to §221.21, A.I.D. shall have exclusive power to prosecute all claims related to rights to receive payments under the Eligible Notes to which it is thereby subrogated. If a Noteholder continues to have an interest in the outstanding Eligible Notes, such a Noteholder and A.I.D. shall consult with each other with respect to their respective interests in such Eligible Notes and the manner of and responsibility for prosecuting claims.

§ 221.32 Change in agreements.

No Noteholder will consent to any change or waiver of any provision of any document contemplated by this Guarantee without the prior written consent of A.I.D.

Subpart E—Administration

§ 221.41 Arbitration.

Any controversy or claim between A.I.D. and any noteholder arising out of this Guarantee shall be settled by arbitration to be held in Washington, DC in accordance with the then prevailing rules of the American Arbitration Association, and judgment on the award rendered by the arbitrators may be entered in any court of competent jurisdiction.

§ 221.42 Notice.

Any communication to A.I.D. pursuant to this Guarantee shall be in writing in the English language, shall refer to the Israel Loan Guarantee Number inscribed on the Eligible Note and shall be complete on the day it is received by A.I.D. at the Office of Housing and Urban Programs, Bureau for Private Enterprise, Agency for International Development, Washington, DC 20523–0030. Other addresses may be substituted for the above upon the giving of notice of such substitution to each Noteholder by first class mail at the address set forth in the Note Register.

§ 221.43 Governing law.

This Guarantee shall be governed by and construed in accordance with the laws of the United States of America governing contracts and commercial transactions of the United States Government.

Appendix A to Part 221—Application for Compensation


Ref: Guarantee dated as of ______.

Gentlemen:

You are hereby advised that payment of $________ (consisting of $________ of principal, $________ of interest and $________ in Further Guaranteed Payments, as defined in §221.01(f) of the Standard Terms and Conditions of the above-mentioned Guarantee) was due on __________, 19____, on $________ principal [maturity] amount of Notes held by the undersigned of the Government of Israel, on behalf of the State of Israel (the “Borrower”). Of such amount $________ was not received on such date and has not been received by the undersigned at the date hereof. In accordance with the terms and provisions of the above-mentioned Guarantee, the undersigned hereby applies, under §221.21 of said Guarantee, for payment of $________, representing $________, the principal amount of the presently outstanding Note(s) of the Borrower held by the undersigned that was due and payable on ______, ______, and that remains unpaid, and $________, the interest amount on such Note(s) that was due and payable by the Borrower on ______, ______, and that remains unpaid, $________, the maturity amount of such Note that was due and payable on ______, ______, and that remains unpaid, and $________ in Further Guaranteed Payments, plus accrued and unpaid interest thereon from the date of default with respect to such payments to and including the date.

1Alternate language for zero-coupon Eligible Notes.

2Alternate language for zero-coupon Eligible Notes.

3In the event the Application for Compensation relates to Further Guaranteed Payments, such Application must also contain a statement of the nature and circumstances of the related loss.