

ject matter. In no case shall any such State take any action pursuant to this section involving a violation of any such law of that State which would preclude the United States from enforcing the provisions of this chapter against any person.

(Pub. L. 91-540, § 10, Dec. 9, 1970, 84 Stat. 1406.)

§ 1830. Omitted

CODIFICATION

Section, Pub. L. 91-540, § 11, Dec. 9, 1970, 84 Stat. 1406; Pub. L. 94-360, § 9, July 13, 1976, 90 Stat. 920; Pub. L. 104-66, title I, § 1012(b), Dec. 21, 1995, 109 Stat. 711, which required the Secretary of Agriculture to include information on matters covered by this chapter, together with recommendations for legislative and other action, as part of the annual report submitted to Congress under section 2155 of title 7, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, page 44 of House Document No. 103-7.

§ 1831. Authorization of appropriations

There are authorized to be appropriated to carry out this chapter \$125,000 for the period beginning July 1, 1976, and ending September 30, 1976; and for the fiscal year beginning October 1, 1976, and for each fiscal year thereafter there are authorized to be appropriated such sums, not to exceed \$500,000, as may be necessary to carry out this chapter.

(Pub. L. 91-540, § 12, Dec. 9, 1970, 84 Stat. 1407; Pub. L. 94-360, § 10, July 13, 1976, 90 Stat. 921.)

AMENDMENTS

1976—Pub. L. 94-360 substituted provisions authorizing \$125,000 to be appropriated for the period beginning July 1, 1976 and ending September 30, 1976, and \$500,000 to be appropriated for the fiscal year beginning October 1, 1976, and each fiscal year thereafter, to carry out the purposes of this chapter, for provisions authorizing not more than \$100,000 to be appropriated annually to carry out the provisions of this chapter.

EFFECTIVE DATE OF 1976 AMENDMENT

Section 10 of Pub. L. 94-360 provided that the amendment made by that section is effective July 1, 1976.

CHAPTER 45—EMERGENCY LOAN GUARANTEES TO BUSINESS ENTERPRISES

| | |
|-------|--|
| Sec. | |
| 1841. | Emergency Loan Guarantee Board; establishment; membership; voting. |
| 1842. | Authority for loan guarantees; terms and conditions. |
| 1843. | Limitations and conditions of loan guarantees. |
| 1844. | Security for loan guarantees. |
| 1845. | Requirements applicable to loan guarantees. |
| 1846. | Powers and duties. |
| 1847. | Maximum obligation. |
| 1848. | Emergency loan guarantee fund. |
| 1849. | Federal Reserve banks as fiscal agents. |
| 1850. | Protection of Government's interest. |
| 1851. | Reports to Congress; recommendations. |
| 1852. | Termination date. |

§ 1841. Emergency Loan Guarantee Board; establishment; membership; voting

There is created an Emergency Loan Guarantee Board (referred to in this chapter as the

“Board”) composed of the Secretary of the Treasury, as Chairman, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Securities and Exchange Commission. Decisions of the Board shall be made by majority vote.

(Pub. L. 92-70, § 2, Aug. 9, 1971, 85 Stat. 178.)

SHORT TITLE

Pub. L. 92-70, § 1, Aug. 9, 1971, 85 Stat. 178, provided that: “This Act [enacting this chapter] may be cited as the ‘Emergency Loan Guarantee Act.’”

EMERGENCY STEEL LOAN GUARANTEES AND EMERGENCY OIL AND GAS GUARANTEED LOANS

Pub. L. 106-51, Aug. 17, 1999, 113 Stat. 252, as amended by Pub. L. 106-102, title VII, § 734, Nov. 12, 1999, 113 Stat. 1478; Pub. L. 107-63, title III, § 336(a), Nov. 5, 2001, 115 Stat. 472; Pub. L. 108-199, div. B, title II, § 211(a), Jan. 23, 2004, 118 Stat. 75; Pub. L. 108-271, § 8(b), July 7, 2004, 118 Stat. 814; Pub. L. 109-108, title II, § 205, Nov. 22, 2005, 119 Stat. 2315; Pub. L. 110-161, div. B, title I, § 105, Dec. 26, 2007, 121 Stat. 1892; Pub. L. 111-117, div. B, title I, § 108, Dec. 16, 2009, 123 Stat. 3122, provided that:

“CHAPTER 1

“SEC. 101. EMERGENCY STEEL LOAN GUARANTEE PROGRAM. (a) SHORT TITLE.—This chapter may be cited as the ‘Emergency Steel Loan Guarantee Act of 1999’.

“(b) CONGRESSIONAL FINDINGS.—Congress finds that—

“(1) the United States steel industry has been severely harmed by a record surge of more than 40,000,000 tons of steel imports into the United States since 1998, caused by the world financial crisis;

“(2) this surge in imports resulted in the loss of more than 10,000 steel worker jobs since 1998, and was the imminent cause of three bankruptcies by medium-sized steel companies, Acme Steel, Laclede Steel, and Geneva Steel;

“(3) the crisis also forced almost all United States steel companies into—

“(A) reduced volume, lower prices, and financial losses; and

“(B) an inability to obtain credit for continued operations and reinvestment in facilities;

“(4) the crisis also has affected the willingness of private banks and investment institutions to make loans to the United States steel industry for continued operation and reinvestment in facilities;

“(5) these steel bankruptcies, job losses, and financial losses are also having serious negative effects on the tax base of cities, counties, and States, and on the essential health, education, and municipal services that these government entities provide to their citizens; and

“(6) a strong steel industry is necessary to the adequate defense preparedness of the United States in order to have sufficient steel available to build the ships, tanks, planes, and armaments necessary for the national defense.

“(c) DEFINITIONS.—For purposes of this section:

“(1) BOARD.—The term ‘Board’ means the Loan Guarantee Board established under subsection (e).

“(2) PROGRAM.—The term ‘Program’ means the Emergency Steel Guarantee Loan Program established under subsection (d).

“(3) QUALIFIED STEEL COMPANY.—The term ‘qualified steel company’ means any company that—

“(A) is incorporated under the laws of any State;

“(B) is engaged in the production and manufacture of a product defined by the American Iron and Steel Institute as a basic steel mill product, including ingots, slab and billets, plates, flat-rolled steel, sections and structural products, bars, rail type products, pipe and tube, and wire rod; and

“(C) has experienced layoffs, production losses, or financial losses since the beginning of the steel import crisis in 1998, and thereafter, or that operates

substantial assets of a company that meets these qualifications.

“(d) ESTABLISHMENT OF EMERGENCY STEEL GUARANTEE LOAN PROGRAM.—There is established the Emergency Steel Guarantee Loan Program, to be administered by the Board, the purpose of which is to provide loan guarantees to qualified steel companies in accordance with this section.

“(e) LOAN GUARANTEE BOARD MEMBERSHIP.—There is established a Loan Guarantee Board, which shall be composed of—

“(1) the Secretary of Commerce;

“(2) the Chairman of the Board of Governors of the Federal Reserve System, or a member of the Board of Governors of the Federal Reserve System designated by the Chairman, who shall serve as Chairman of the Board; and

“(3) the Chairman of the Securities and Exchange Commission, or a commissioner of the Securities and Exchange Commission designated by the Chairman.

“(f) LOAN GUARANTEE PROGRAM.—

“(1) AUTHORITY.—The Program may guarantee loans provided to qualified steel companies by private banking and investment institutions in accordance with the procedures, rules, and regulations established by the Board.

“(2) TOTAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed and outstanding at any one time under this section may not exceed \$1,000,000,000.

“(3) INDIVIDUAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed under this section with respect to a single qualified steel company may not exceed \$250,000,000.

“(4) TIMELINES.—The Board shall approve or deny each application for a guarantee under this section as soon as possible after receipt of such application.

“(5) ADDITIONAL COSTS.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$140,000,000 to remain available until expended.

“(g) REQUIREMENTS FOR LOAN GUARANTEES.—A loan guarantee may be issued under this section upon application to the Board by a qualified steel company pursuant to an agreement to provide a loan to that qualified steel company by a private bank or investment company, if the Board determines that—

“(1) credit is not otherwise available to that company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of that company;

“(2) the prospective earning power of that company, together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

“(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of such loan;

“(4) the company has agreed to an audit by the Government Accountability Office prior to the issuance of the loan guarantee and annually thereafter while any such guaranteed loan is outstanding; and

“(5) in the case of a purchaser of substantial assets of a qualified steel company, the qualified steel company establishes that it is unable to reorganize itself.

“(h) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

“(1) LOAN DURATION.—All loans guaranteed under this section shall be payable in full not later than December 31, 2015, and the terms and conditions of each such loan shall provide that the loan may not be amended, or any provision thereof waived, without the consent of the Board.

“(2) LOAN SECURITY.—Any commitment to issue a loan guarantee under this section shall contain such

affirmative and negative covenants and other protective provisions that the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

“(3) FEES.—A qualified steel company receiving a guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

“(4) GUARANTEE LEVEL.—

“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), any loan guarantee provided under this section shall not exceed 85 percent of the amount of principal of the loan.

“(B) INCREASED LEVEL ONE.—A loan guarantee may be provided under this section in excess of 85 percent, but not more than 90 percent, of the amount of principal of the loan, if—

“(i) the aggregate amount of loans guaranteed at such percentage and outstanding under this section at any one time does not exceed \$100,000,000; and

“(ii) the aggregate amount of loans guaranteed at such percentage under this section with respect to a single qualified steel company does not exceed \$50,000,000.

“(C) INCREASED LEVEL TWO.—A loan guarantee may be provided under this section in excess of 85 percent, but not more than 95 percent, of the amount of principal of the loan, if—

“(i) the aggregate amount of loans guaranteed at such percentage and outstanding under this section at any one time does not exceed \$100,000,000; and

“(ii) the aggregate amount of loans guaranteed at such percentage under this section with respect to a single qualified steel company does not exceed \$50,000,000.

“(i) REPORTS TO CONGRESS.—The Secretary of Commerce shall submit to Congress a full report of the activities of the Board under this section during each of fiscal years 1999 and 2000, and annually thereafter, during such period as any loan guaranteed under this section is outstanding.

“(j) SALARIES AND ADMINISTRATIVE EXPENSES.—For necessary expenses to administer the Program, \$5,000,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

“(k) TERMINATION OF GUARANTEE AUTHORITY.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2011.

“(l) REGULATORY ACTION.—The Board shall issue such final procedures, rules, and regulations as may be necessary to carry out this section not later than 60 days after the date of the enactment of this Act [Aug. 17, 1999].

“(m) IRON ORE COMPANIES.—

“(1) IN GENERAL.—Subject to the requirements of this subsection, an iron ore company incorporated under the laws of any State shall be treated as a qualified steel company for purposes of the Program.

“(2) TOTAL GUARANTEE LIMIT FOR IRON ORE COMPANY.—Of the aggregate amount of loans authorized to be guaranteed and outstanding at any one time under subsection (f)(2), an amount not to exceed \$30,000,000 shall be loans with respect to iron ore companies.

“FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES

“(RESCISSIONS)

“SEC. 102. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$145,000,000 are hereby rescinded: *Provided*, That rescis-

sions pursuant to this subsection shall be taken only from administrative and travel accounts: *Provided further*, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the executive branch, including the Office of the President.

“(b) Within 30 days after the date of the enactment of this Act [Aug. 17, 1999], the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

“SEC. 103. SALARIES AND ADMINISTRATIVE EXPENSES.

“(a) In addition to funds made available under section 101(j) of the Emergency Steel Loan Guarantee Act of 1999 (15 U.S.C. 1841 note), up to \$1,000,000 in funds made available under section 101(f) of such Act may be used for salaries and administrative expenses to administer the Emergency Steel Loan Guarantee Program.

“(b) Funds made available for salaries and administrative expenses to administer the Emergency Steel Loan Guarantee Program shall remain available until expended.

“CHAPTER 2

“SEC. 201. PETROLEUM DEVELOPMENT MANAGEMENT. (a) SHORT TITLE.—This chapter may be cited as the ‘Emergency Oil and Gas Guaranteed Loan Program Act’.

“(b) FINDINGS.—Congress finds that—

“(1) consumption of foreign oil in the United States is estimated to equal 56 percent of all oil consumed, and that percentage could reach 68 percent by 2010 if current prices prevail;

“(2) the number of oil and gas rigs operating in the United States is at its lowest since 1944, when records of this tally began;

“(3) if prices do not increase soon, the United States could lose at least half its marginal wells, which in aggregate produce as much oil as the United States imports from Saudi Arabia;

“(4) oil and gas prices are unlikely to increase for at least several years;

“(5) declining production, well abandonment, and greatly reduced exploration and development are shrinking the domestic oil and gas industry;

“(6) the world’s richest oil producing regions in the Middle East are experiencing increasingly greater political instability;

“(7) United Nations policy may make Iraq the swing oil producing nation, thereby granting Saddam Hussein tremendous power;

“(8) reliance on foreign oil for more than 60 percent of our daily oil and gas consumption is a national security threat;

“(9) the level of United States oil security is directly related to the level of domestic production of oil, natural gas liquids, and natural gas; and

“(10) a national security policy should be developed that ensures that adequate supplies of oil are available at all times free of the threat of embargo or other foreign hostile acts.

“(c) DEFINITIONS.—In this section:

“(1) BOARD.—The term ‘Board’ means the Loan Guarantee Board established by subsection (e).

“(2) PROGRAM.—The term ‘Program’ means the Emergency Oil and Gas Guaranteed Loan Program established by subsection (d).

“(3) QUALIFIED OIL AND GAS COMPANY.—The term ‘qualified oil and gas company’ means a company that—

“(A) is—

“(i) an independent oil and gas company (within the meaning of section 57(a)(2)(B)(i) of the Internal Revenue Code of 1986 [26 U.S.C. 57(a)(2)(B)(i)]); or

“(ii) a small business concern under section 3 of the Small Business Act (15 U.S.C. 632) (or a company based in Alaska, including an Alaska Native

Corporation created pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)) that is an oil field service company whose main business is providing tools, products, personnel, and technical solutions on a contractual basis to exploration and production operators that drill, complete wells, and produce, transport, refine, and sell hydrocarbons and their byproducts as the main commercial business of the concern or company; and

“(B) has experienced layoffs, production losses, or financial losses since the beginning of the oil import crisis, after January 1, 1997.

“(d) EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM.—

“(1) IN GENERAL.—There is established the Emergency Oil and Gas Guaranteed Loan Program, the purpose of which shall be to provide loan guarantees to qualified oil and gas companies in accordance with this section.

“(2) LOAN GUARANTEE BOARD.—There is established to administer the Program a Loan Guarantee Board, to be composed of—

“(A) the Secretary of Commerce;

“(B) the Chairman of the Board of Governors of the Federal Reserve System, or a member of the Board of Governors of the Federal Reserve System designated by the Chairman, who shall serve as Chairman of the Board; and

“(C) the Chairman of the Securities and Exchange Commission, or a commissioner of the Securities and Exchange Commission designated by the Chairman.

“(e) AUTHORITY.—

“(1) IN GENERAL.—The Program may guarantee loans provided to qualified oil and gas companies by private banking and investment institutions in accordance with procedures, rules, and regulations established by the Board.

“(2) TOTAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed and outstanding at any one time under this section shall not exceed \$500,000,000.

“(3) INDIVIDUAL GUARANTEE LIMIT.—The aggregate amount of loans guaranteed under this section with respect to a single qualified oil and gas company shall not exceed \$10,000,000.

“(4) EXPEDITIOUS ACTION ON APPLICATIONS.—The Board shall approve or deny an application for a guarantee under this section as soon as practicable after receipt of an application.

“(5) ADDITIONAL COSTS.—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$122,500,000 to remain available until expended.

“(f) REQUIREMENTS FOR LOAN GUARANTEES.—The Board may issue a loan guarantee on application by a qualified oil and gas company under an agreement by a private bank or investment company to provide a loan to the qualified oil and gas company, if the Board determines that—

“(1) credit is not otherwise available to the company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of the company;

“(2) the prospective earning power of the company, together with the character and value of the security pledged, provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

“(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan; and

“(4) the company has agreed to an audit by the Government Accountability Office before issuance of

the loan guarantee and annually while the guaranteed loan is outstanding.

“(g) TERMS AND CONDITIONS OF LOAN GUARANTEES.—

“(1) LOAN DURATION.—All loans guaranteed under this section shall be repayable in full not later than December 31, 2010, and the terms and conditions of each such loan shall provide that the loan agreement may not be amended, or any provision of the loan agreement waived, without the consent of the Board.

“(2) LOAN SECURITY.—A commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions as the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

“(3) FEES.—A qualified oil and gas company receiving a loan guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

“(4) GUARANTEE LEVEL.—No loan guarantee may be provided under this section if the guarantee exceeds 85 percent of the amount of principal of the loan.

“(h) REPORTS.—During fiscal year 1999 and each fiscal year thereafter until each guaranteed loan has been repaid in full, the Secretary of Commerce shall submit to Congress a report on the activities of the Board.

“(i) SALARIES AND ADMINISTRATIVE EXPENSES.—For necessary expenses to administer the Program, \$2,500,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

“(j) TERMINATION OF GUARANTEE AUTHORITY.—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

“(k) REGULATORY ACTION.—Not later than 60 days after the date of the enactment of this Act [Aug. 17, 1999], the Board shall issue such final procedures, rules, and regulations as are necessary to carry out this section.

“FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES

“(RESCISSIONS)

“SEC. 202. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$125,000,000 are hereby rescinded: *Provided*, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: *Provided further*, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the executive branch, including the Office of the President.

“(b) Within 30 days after the date of the enactment of this Act [Aug. 17, 1999], the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

“CHAPTER 3

“GENERAL PROVISIONS

“SEC. 301. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

“This Act may be cited as the ‘Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan Act of 1999.’”

[Pub. L. 110–161, div. B, title I, §105(c), Dec. 26, 2007, 121 Stat. 1893, which directed amendment of section 101(c)(3)(C) of Pub. L. 106–51, set out above, by substituting “in 1998, and thereafter,” for “, in 1998”, was

executed by making the substitution for “, in January 1998” to reflect the probable intent of Congress.]

[Pub. L. 107–63, title III, §336(b), Nov. 5, 2001, 115 Stat. 472, provided that: “The amendments made by this section [amending section 101 of Pub. L. 106–51, set out above] shall apply only with respect to any guarantee issued on or after the date of the enactment of this Act [Nov. 5, 2001].”]

§ 1842. Authority for loan guarantees; terms and conditions

The Board, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements of this chapter.

(Pub. L. 92–70, §3, Aug. 9, 1971, 85 Stat. 178.)

§ 1843. Limitations and conditions of loan guarantees

(a) Necessary findings

A guarantee of a loan may be made under this chapter only if—

(1) the Board finds that (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof, (B) credit is not otherwise available to the borrower under reasonable terms or conditions, and (C) the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Term of loans; renewal

Loans guaranteed under this chapter shall be payable in not more than five years, but may be renewable for not more than an additional three years.

(c) Interest rates, determination; guarantee fee

(1) Loans guaranteed under this chapter shall bear interest payable to the lending institutions at rates determined by the Board taking into account the reduction in risk afforded by the loan guarantee and rates charged by lending institutions on otherwise comparable loans.

(2) The Board shall prescribe and collect a guarantee fee in connection with each loan guaranteed under this chapter. Such fee shall reflect the Government’s administrative expense in making the guarantee and the risk assumed by the Government and shall not be less than an amount which, when added to the amount of interest payable to the lender of such loan, produces a total charge appropriate for loan agreements of comparable risk and maturity if supplied by the normal capital markets.

(Pub. L. 92–70, §4, Aug. 9, 1971, 85 Stat. 178.)

§ 1844. Security for loan guarantees

In negotiating a loan guarantee under this chapter, the Board shall make every effort to arrange that the payment of the principal of and

interest on any plan guaranteed shall be secured by sufficient property of the enterprise to collateralize fully the amount of the loan guarantee.

(Pub. L. 92-70, §5, Aug. 9, 1971, 85 Stat. 179.)

§ 1845. Requirements applicable to loan guarantees

(a) Stock dividends or other payments, prohibition; waiver

A guarantee agreement made under this chapter with respect to an enterprise shall require that while there is any principal or interest remaining unpaid on a guaranteed loan to that enterprise the enterprise may not—

(1) declare a dividend on its common stock; or

(2) make any payment on its other indebtedness to a lender whose loan has been guaranteed under this chapter.

The Board may waive either or both of the requirements set forth in this subsection, as specified in the guarantee agreement covering a loan to any particular enterprise, if it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee.

(b) Managerial changes

If the Board determines that the inability of an enterprise to obtain credit without a guarantee under this chapter is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Board shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Board deems necessary to give the enterprise a sound managerial base.

(c) Financial statement; access to documents

A guarantee of a loan to any enterprise shall not be made under this chapter unless—

(1) the Board has received an audited financial statement of the enterprise; and

(2) the enterprise permits the Board to have the same access to its books and other documents as the Board would have under section 1846 of this title in the event the loan is guaranteed.

(d) Exhaustion of remedies

No payment shall be made or become due under a guarantee entered into under this chapter unless the lender has exhausted any remedies which it may have under the guarantee agreement.

(e) Protective provisions; advances

(1) Prior to making any guarantee under this chapter, the Board shall satisfy itself that the underlying loan agreement on which the guarantee is sought contains all the affirmative and negative covenants and other protective provisions which are usual and customary in loan agreements of a similar kind, including previous loan agreements between the lender and the borrower, and that it cannot be amended, or any provisions waived, without the Board's prior consent.

(2) On each occasion when the borrower seeks an advance under the loan agreement, the guar-

antee authorized by this chapter shall be in force as to the funds advanced only if—

(A) the lender gives the Board at least ten days' notice in writing of its intent to provide the borrower with funds pursuant to the loan agreement;

(B) the lender certifies to the Board before an advance is made that, as of the date of the notice provided for in subparagraph (A), the borrower is not in default under the loan agreement: *Provided*, That if a default has occurred the lender shall report the facts and circumstances relating thereto to the Board and the Board may expressly and in writing waive such default in any case where it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee; and

(C) the borrower provides the Board with a plan setting forth the expenditures for which the advance will be used and the period during which the expenditures will be made, and, upon the expiration of such periods, reports to the Board any instances in which amounts advanced have not been expended in accordance with the plan.

(f) Loan security, priority; collateral

(1) A guarantee agreement made under this chapter shall contain a requirement that as between the Board and the lender, the Board shall have a priority with respect to, and to the extent of, the lender's interest in any collateral securing the loan and any earlier outstanding loans. The Board shall take all steps necessary to assure such priority against any other persons.

(2) As used in paragraph (1) of this subsection, the term "collateral" includes all assets pledged under loan agreements and, if appropriate in the opinion of the Board, all sums of the borrower on deposit with the lender and subject to offset under section 68 of the Bankruptcy Act.

(Pub. L. 92-70, §6, Aug. 9, 1971, 85 Stat. 179.)

REFERENCES IN TEXT

Section 68 of the Bankruptcy Act, referred to in subsec. (f)(2), was classified to section 108 of former Title 11, Bankruptcy. The Bankruptcy Act was repealed effective Oct. 1, 1979, by Pub. L. 95-598, §§401(a), 402(a), Nov. 6, 1978, 92 Stat. 2682, section 101 of which enacted revised Title 11. See sections 502(b)(3) and 553 of Title 11.

§ 1846. Powers and duties

(a) Board; inspection of documents; disapproval of certain transactions

The Board is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of any enterprise which has received financial assistance under this chapter concerning any matter which may bear upon (1) the ability of such enterprise to repay the loan within the time fixed therefor; (2) the interests of the United States in the property of such enterprise; and (3) the assurance that there is reasonable protection to the United States. The Board is authorized to disapprove any transaction of such enterprise involving the disposition of its assets which may affect the repayment of a loan that has been

guaranteed pursuant to the provisions of this chapter.

(b) Government Accountability Office; audit; report to Board and Congress

The Government Accountability Office shall make a detailed audit of all accounts, books, records, and transactions of any borrower with respect to which an application for a loan guarantee is made under this chapter. The Government Accountability Office shall report the results of such audit to the Board and to the Congress.

(Pub. L. 92-70, §7, Aug. 9, 1971, 85 Stat. 180; Pub. L. 108-271, §8(b), July 7, 2004, 118 Stat. 814.)

AMENDMENTS

2004—Subsec. (b). Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office” in two places.

§ 1847. Maximum obligation

The maximum obligation of the Board under all outstanding loans guaranteed by it shall not exceed at any time \$250,000,000.

(Pub. L. 92-70, §8, Aug. 9, 1971, 85 Stat. 181.)

§ 1848. Emergency loan guarantee fund

(a) Establishment; use; investment

There is established in the Treasury an emergency loan guarantee fund to be administered by the Board. The fund shall be used for the payment of the expenses of the Board and for the purpose of fulfilling the Board’s obligations under this chapter. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) Guarantee fee; deposits in fund

The Board shall prescribe and collect a guarantee fee in connection with each loan guaranteed by it under this chapter. Sums realized from such fees shall be deposited in the emergency loan guarantee fund.

(c) Payments; issuance of notes or other obligations when fund moneys insufficient: forms and denominations, maturities, terms and conditions, interest rate; public debt transaction

Payments required to be made as a consequence of any guarantee by the Board shall be made from the emergency loan guarantee fund. In the event that moneys in the fund are insufficient to make such payments, in order to discharge its responsibilities, the Board is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Board with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the

notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31 and the purposes for which securities may be issued under that chapter are extended to include any purchase of such notes and obligations.

(Pub. L. 92-70, §9, Aug. 9, 1971, 85 Stat. 181.)

CODIFICATION

In subsec. (c), “chapter 31 of title 31” and “that chapter” substituted for “the Second Liberty Bond Act, as amended,” and “that Act”, respectively, on authority of Pub. L. 97-258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

§ 1849. Federal Reserve banks as fiscal agents

Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Board. Each such fiscal agent shall be reimbursed by the Board for all expenses and losses incurred by it in acting as agent on behalf of the Board.

(Pub. L. 92-70, §10, Aug. 9, 1971, 85 Stat. 181.)

§ 1850. Protection of Government’s interest

(a) Attorney General, enforcement authority; payments into emergency loan guarantee fund

The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this chapter. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) Recovery rights; subrogation

The Board shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this chapter, and upon making any such payment, the Board shall be subrogated to all the rights of the recipient thereof.

(Pub. L. 92-70, §11, Aug. 9, 1971, 85 Stat. 181.)

§ 1851. Reports to Congress; recommendations

The Board shall submit to the Congress annually a full report of its operations under this chapter. In addition, the Board shall submit to the Congress a special report not later than June 30, 1973, which shall include a full report of the Board’s operations together with its recommendations with respect to the need to continue the guarantee program beyond the termination date specified in section 1852 of this title. If the Board recommends that the program should be continued beyond such termination date, it shall state its recommendations with respect to the appropriate board, agency, or corporation which should administer the program.

(Pub. L. 92-70, §12, Aug. 9, 1971, 85 Stat. 182.)

§ 1852. Termination date

The authority of the Board to enter into any guarantee or to make any commitment to guar-

antee under this chapter terminates on December 31, 1973. Such termination does not affect the carrying out of any contract, guarantee, commitment, or other obligation entered into pursuant to this chapter prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this chapter.

(Pub. L. 92-70, § 13, Aug. 9, 1971, 85 Stat. 182.)

CHAPTER 45A—CHRYSLER CORPORATION LOAN GUARANTEE

§§ 1861 to 1875. Omitted

CODIFICATION

Sections, Pub. L. 96-185, §§1-16, Jan. 7, 1980, 93 Stat. 1324, were omitted in view of the termination of authority to make commitments to guarantee or issue guarantees under this chapter on Dec. 31, 1983, pursuant to section 1875 of this title, and the total repayment of loans guaranteed under this chapter.

Section 1861 provided definitions for this chapter.

Section 1862 related to establishment and composition of Chrysler Corporation Loan Guarantee Board.

Section 1863 related to commitments for loan guarantees.

Section 1864 related to requirements of loan guarantees.

Section 1865 related to requirements applicable to employees.

Section 1866 related to employee stock ownership plan.

Section 1867 related to limitations on guarantee authority.

Section 1868 related to terms and conditions of loan guarantees.

Section 1869 related to inspection, audit, and investigation.

Section 1870 related to protection of Government's interest.

Section 1871 related to long-term planning study.

Section 1872 related to ineligibility of guaranteed loans for purchase by or sale or issuance to Federal Financing Bank or other Federal entity partly or wholly owned by United States.

Section 1873 related to reports to Congress.

Section 1874 related to authorization of appropriations.

Section 1875 provided that authority to make commitments to guarantee or to issue guarantees under this chapter expires on Dec. 31, 1983.

CHAPTER 46—MOTOR VEHICLE INFORMATION AND COST SAVINGS

§ 1901. Repealed. Pub. L. 103-272, § 7(b), July 5, 1994, 108 Stat. 1379

Section, Pub. L. 92-513, § 2, Oct. 20, 1972, 86 Stat. 947; Pub. L. 94-163, title III, § 301, Dec. 22, 1975, 89 Stat. 901; Pub. L. 96-425, § 8(a)(2), Oct. 10, 1980, 94 Stat. 1828; Pub. L. 98-547, title I, § 101(b), Oct. 25, 1984, 98 Stat. 2767, defined terms for purposes of this chapter, except subchapter V of this chapter. See sections 32101, 32301, and 32502 of Title 49, Transportation.

SHORT TITLE

Pub. L. 92-513, § 1, Oct. 20, 1972, 86 Stat. 947, provided that Pub. L. 92-513 (enacting this chapter) could be cited as the "Motor Vehicle Information and Cost Savings Act", prior to repeal by Pub. L. 103-272, § 7(b), July 5, 1994, 108 Stat. 1379.

SUBCHAPTER I—BUMPER STANDARDS

§§ 1911 to 1922. Repealed. Pub. L. 103-272, § 7(b), July 5, 1994, 108 Stat. 1379

Section 1911, Pub. L. 92-513, title I, § 101, Oct. 20, 1972, 86 Stat. 948, stated congressional findings and declaration of purpose of this subchapter. See section 32501 of Title 49, Transportation.

Section 1912, Pub. L. 92-513, title I, § 102, Oct. 20, 1972, 86 Stat. 949, related to promulgation of bumper standards. See section 32502 of Title 49.

Section 1913, Pub. L. 92-513, title I, § 103, Oct. 20, 1972, 86 Stat. 950, related to judicial review of rules establishing bumper standards. See section 32503 of Title 49.

Section 1914, Pub. L. 92-513, title I, § 104, Oct. 20, 1972, 86 Stat. 950, related to powers of Secretary in carrying out this subchapter. See sections 32502, 32505, and 32509 of Title 49.

Section 1915, Pub. L. 92-513, title I, § 105, Oct. 20, 1972, 86 Stat. 952, related to determination of compliance by manufacturer with bumper standards. See sections 32504 and 32505 of Title 49.

Section 1916, Pub. L. 92-513, title I, § 106, Oct. 20, 1972, 86 Stat. 952, related to prohibited acts with respect to bumper standards and exemptions from compliance with such standards. See section 32506 of Title 49.

Section 1917, Pub. L. 92-513, title I, § 107, Oct. 20, 1972, 86 Stat. 953, related to enforcement of this subchapter. See section 32507 of Title 49.

Section 1918, Pub. L. 92-513, title I, § 108, Oct. 20, 1972, 86 Stat. 955, related to civil action against manufacturer for failure to comply with bumper standards. See section 32508 of Title 49.

Section 1919, Pub. L. 92-513, title I, § 109, Oct. 20, 1972, 86 Stat. 955, related to public access to information sent or received by the Secretary in connection with this subchapter. See section 32505 of Title 49.

Section 1920, Pub. L. 92-513, title I, § 110, Oct. 20, 1972, 86 Stat. 955, related to State and local bumper standards and bumper standards for vehicles owned by Federal, State, or local governments. See section 32511 of Title 49.

Section 1921, Pub. L. 92-513, title I, § 111, Oct. 20, 1972, 86 Stat. 955; Pub. L. 94-364, title I, § 101, July 14, 1976, 90 Stat. 981; Pub. L. 97-331, § 2(b), Oct. 15, 1982, 96 Stat. 1619, authorized appropriations to carry out this subchapter for fiscal years 1983, 1984, and 1985.

Section 1922, Pub. L. 92-513, title I, § 112, Oct. 20, 1972, 86 Stat. 955, directed Secretary to submit annual report to President and Congress on progress in carrying out this subchapter and specified contents of report. See section 32510 of Title 49.

SUBCHAPTER II—AUTOMOBILE CONSUMER INFORMATION STUDY

§§ 1941 to 1950. Repealed. Pub. L. 103-272, § 7(b), July 5, 1994, 108 Stat. 1379

Section 1941, Pub. L. 92-513, title II, § 201, Oct. 20, 1972, 86 Stat. 956; Pub. L. 94-364, title II, § 201, July 14, 1976, 90 Stat. 981, related to consumer information study to be conducted by Secretary. See section 32302 of Title 49, Transportation.

Section 1942, Pub. L. 92-513, title II, § 202, Oct. 20, 1972, 86 Stat. 956, related to appointment and compensation of personnel by Secretary to carry out this subchapter. See section 32306 of Title 49.

Section 1943, Pub. L. 92-513, title II, § 203, Oct. 20, 1972, 86 Stat. 957, related to provision of information and detailing of personnel from other Federal departments to Secretary to carry out this subchapter. See section 32305 of Title 49.

Section 1944, Pub. L. 92-513, title II, § 204, Oct. 20, 1972, 86 Stat. 957, related to powers of Secretary to carry out this subchapter. See section 32307 of Title 49.

Section 1945, Pub. L. 92-513, title II, § 205, Oct. 20, 1972, 86 Stat. 958, required insurers of passenger motor vehicles to make reports and provide information to Sec-