

Public Law 100-442
100th Congress

An Act

To amend the Indian Financing Act of 1974, and for other purposes.

Sept. 22, 1988

[S. 1360]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Small business.
Securities.

LIMITATIONS ON AMOUNT OF LOANS TO INDIVIDUAL INDIANS OR
ECONOMIC ENTERPRISES

SECTION 1. Section 204 of the Indian Financing Act of 1974 (25 U.S.C. 1484) is amended by striking out "\$350,000" and inserting in lieu thereof "\$500,000".

ASSIGNMENT OF LOANS

SEC. 2. Section 205 of the Indian Financing Act of 1974 (25 U.S.C. 1485) is amended to read as follows:

"SEC. 205. Any loan guaranteed under this title, including the security given for such loan, may be sold or assigned by the lender to any person."

AGGREGATE LOANS LIMITATION

SEC. 3. Section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497) is amended by striking out "\$200,000,000" in subsection (b) and inserting in lieu thereof "\$500,000,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) The last sentence of subsection (e) of section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497(e)) is amended to read as follows: "All collections and all moneys appropriated pursuant to the authority of this subsection shall remain available until expended."

(b) Section 217 of the Indian Financing Act of 1974 is amended by adding at the end thereof the following new subsection:

"(f) If the Secretary determines that the amount in the fund is not sufficient to maintain an adequate level of reserves necessary to meet the responsibilities of the fund in connection with losses on loans or surety bonds guaranteed or insured under this title, the Secretary shall promptly submit a report notifying Congress of the deficiencies in the fund."

Reports.

(c) Any new credit authority (as defined in section 3 of the Congressional Budget and Impoundment Control Act of 1974) which is provided by amendments made by this Act shall be effective only to such extent and in such amounts as may be approved in advance in appropriation Acts.

25 USC 1497
note.

SUPPLEMENTAL SURETY BOND GUARANTEE

25 USC 1498. SEC. 5. (a) The Indian Financing Act of 1974 is amended by redesignating section 218 as section 219 and inserting the following new section 218:

25 USC 1497a. "SEC. 218. (a) The Secretary is authorized to provide a supplemental surety bond guarantee, not to exceed 20 percent of any loss, for any Indian individual or economic enterprise eligible for a surety guarantee under section 411 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661, 694b), so that the aggregate of the two guarantees is 100 percent.

"(b) The Secretary may provide a supplemental guarantee under this section only if the Secretary determines that—

"(1) the Indian individual or economic enterprise has secured or will likely secure a surety bond guarantee under section 411 of the Small Business Investment Act of 1958, as amended;

"(2) the supplemental guarantee is necessary for the Indian individual or economic enterprise to secure a surety bond;

"(3) no more than 25 percent of the surety's business is comprised of bonds guaranteed pursuant to this section; and

"(4) the surety will provide appropriate technical assistance and advice to, and monitor the performance of, the Indian individual or economic enterprise for the prevention or mitigation of a loss.

Regulations. "(c) The rules and regulations promulgated by the Secretary to carry out this section shall include the setting of reasonable fees to be paid by the Indian individual or economic enterprise and reasonable premium charges to be paid by sureties. In setting fees and charges, the Secretary may take into consideration the cost to the surety of providing the services required by paragraph (4) of subsection (b). The receipts from the fees and charges shall be deposited in the Fund established by section 217(a) of this Act."

25 USC 1452. (b) Section 3 of the Indian Financing Act of 1974 is amended by adding the following new paragraphs (h) and (i) at the end thereof:

"(h) 'Surety' has the same meaning as in section 410 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661, 694a).

"(i) 'Surety Bond' means a bid bond, payment bond, or performance bond as those terms are defined in section 410 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661, 694a)."

25 USC 1496. (c) Section 216 of the Indian Financing Act of 1974 is amended by:

(1) striking the phrase "of loans" in the first sentence and inserting, in lieu thereof, the phrase "of loans and surety bonds";

(2) striking the phrase "a loan" in paragraph (b) and inserting, in lieu thereof, the phrase "a loan or surety bond"; and

(3) striking the phrase "any loan" in paragraph (c) and inserting, in lieu thereof, the phrase "any loan or surety bond".

25 USC 1497. (d) Section 217 of the Indian Financing Act of 1974 is amended by striking the word "loans" each time it appears and inserting, in lieu thereof, the phrase "loans or surety bonds".

SEC. 6. The Indian Financing Act of 1974 is amended by adding the following new section at the end of title II:

25 USC 1499. "SEC. 220. (a) The Secretary may guarantee not to exceed 90 percent of the unpaid principal and interest due on an issue of bonds, debentures, or similar obligations issued by an organization satisfactory to the Secretary. Such an issue shall be deemed a loan

for purposes of sections 202, 203, 204, 205, 206, 209, 210, 211, 213, 214, 215, 216, and 217 of this Act.

“(b) The method by which an issue of bonds guaranteed under this section may be sold shall be subject to approval by the Secretary.”.

SEC. 7. The Indian Financing Act of 1974 is amended by adding a new section 504 as follows:

“SEC. 504. Notwithstanding any other provision of law, a contractor of a Federal agency under any Act of Congress may be allowed an additional amount of compensation equal to 5 percent of the amount paid, or to be paid, to a subcontractor or supplier, in carrying out the contract if such subcontractor or supplier is an Indian organization or Indian-owned economic enterprise as defined in this Act.”.

Contracts.
25 USC 1544.

Approved September 22, 1988.

LEGISLATIVE HISTORY—S. 1360:

HOUSE REPORTS: No. 100-838 (Comm. on Interior and Insular Affairs).

SENATE REPORTS: No. 100-149 (Select Comm. on Indian Affairs).

CONGRESSIONAL RECORD:

Vol. 133 (1987): Nov. 5, considered and passed Senate.

Nov. 17, passage vitiated; reconsidered and passed Senate.

Vol. 134 (1988): Aug. 8, considered and passed House, amended.

Sept. 9, Senate concurred in House amendments.