

awards” for “cash prizes” in heading and in two places in text.

Subsec. (p)(2)(G). Pub. L. 114-329, §401(b)(12)(C)(iii), added subpar. (G).

### **§ 3720. Office of Innovation and Entrepreneurship**

#### **(a) In general**

The Secretary shall establish an Office of Innovation and Entrepreneurship to foster innovation and the commercialization of new technologies, products, processes, and services with the goal of promoting productivity and economic growth in the United States.

#### **(b) Duties**

The Office of Innovation and Entrepreneurship shall be responsible for—

- (1) developing policies to accelerate innovation and advance the commercialization of research and development, including federally funded research and development;
- (2) identifying existing barriers to innovation and commercialization, including access to capital and other resources, and ways to overcome those barriers, particularly in States participating in the Experimental Program to Stimulate Competitive Research;
- (3) providing access to relevant data, research, and technical assistance on innovation and commercialization;
- (4) strengthening collaboration on and coordination of policies relating to innovation and commercialization, including those focused on the needs of small businesses and rural communities, within the Department of Commerce, between the Department of Commerce and other Federal agencies, and between the Department of Commerce and appropriate State government agencies and institutions, as appropriate; and
- (5) any other duties as determined by the Secretary.

#### **(c) Advisory committee**

The Secretary shall establish an Advisory Council on Innovation and Entrepreneurship to provide advice to the Secretary on carrying out subsection (b).

(Pub. L. 96-480, §25, as added Pub. L. 111-358, title VI, §601, Jan. 4, 2011, 124 Stat. 4026.)

### **§ 3721. Federal loan guarantees for innovative technologies in manufacturing**

#### **(a) Establishment**

The Secretary shall establish a program to provide loan guarantees for obligations to small- or medium-sized manufacturers for the use or production of innovative technologies.

#### **(b) Eligible projects**

A loan guarantee may be made under the program only for a project that re-equips, expands, or establishes a manufacturing facility in the United States—

- (1) to use an innovative technology or an innovative process in manufacturing;
- (2) to manufacture an innovative technology product or an integral component of such a product; or
- (3) to commercialize an innovative product, process, or idea that was developed by re-

search funded in whole or in part by a grant from the Federal government.

#### **(c) Eligible borrower**

A loan guarantee may be made under the program only for a borrower who is a small- or medium-sized manufacturer, as determined by the Secretary under the criteria established pursuant to subsection (l).

#### **(d) Limitation on amount**

A loan guarantee shall not exceed an amount equal to 80 percent of the obligation, as estimated at the time at which the loan guarantee is issued.

#### **(e) Limitations on loan guarantee**

No loan guarantee shall be made unless the Secretary determines that—

- (1) there is a reasonable prospect of repayment of the principal and interest on the obligation by the borrower;
- (2) the amount of the obligation (when combined with amounts available to the borrower from other sources) is sufficient to carry out the project;
- (3) the obligation is not subordinate to other financing;
- (4) the obligation bears interest at a rate that does not exceed a level that the Secretary determines appropriate, taking into account the prevailing rate of interest in the private sector for similar loans and risks; and
- (5) the term of an obligation requires full repayment over a period not to exceed the lesser of—

(A) 30 years; or

(B) 90 percent of the projected useful life, as determined by the Secretary, of the physical asset to be financed by the obligation.

#### **(f) Defaults**

##### **(1) Payment by Secretary**

###### **(A) In general**

If a borrower defaults (as defined in regulations promulgated by the Secretary and specified in the loan guarantee) on the obligation, the holder of the loan guarantee shall have the right to demand payment of the unpaid amount from the Secretary.

###### **(B) Payment required**

Within such period as may be specified in the loan guarantee or related agreements, the Secretary shall pay to the holder of the loan guarantee the unpaid interest on and unpaid principal of the obligation as to which the borrower has defaulted, unless the Secretary finds that there was no default by the borrower in the payment of interest or principal or that the default has been remedied.

###### **(C) Forbearance**

Nothing in this subsection precludes any forbearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the obligation and approved by the Secretary.

##### **(2) Subrogation**

###### **(A) In general**

If the Secretary makes a payment under paragraph (1), the Secretary shall be sub-