

Subsec. (o). Pub. L. 98-181, § 514(c), (d), added subsec. (o), and struck out former subsec. (o) which related to loans to persons of low income and to the minimum amounts available to such persons.

1982—Subsec. (a)(1). Pub. L. 97-289 substituted “May 20, 1983” for “September 30, 1982”.

1981—Subsec. (a)(1). Pub. L. 97-35 substituted “1982” for “1981”.

1980—Subsec. (a)(1). Pub. L. 96-399, § 501(c), substituted “September 30, 1981” for “October 15, 1980”.

Pub. L. 96-372 substituted “October 15, 1980” for “September 30, 1980”.

Subsec. (n). Pub. L. 96-399, § 511, inserted reference to moderate income borrowers.

1979—Subsec. (a)(1). Pub. L. 96-153, § 501(g), substituted “September 30, 1980” for “November 30, 1979”.

Pub. L. 96-105 substituted “November 30, 1979” for “October 31, 1979”.

Pub. L. 96-71 substituted “October 31, 1979” for “September 30, 1979”.

Subsec. (o). Pub. L. 96-153, § 511, redesignated existing provisions as par. (1) and added par. (2).

1978—Subsec. (a)(1). Pub. L. 95-557, § 501(f), substituted “September 30, 1979” for “October 31, 1978”.

Pub. L. 95-406 substituted “October 31, 1978” for “September 30, 1978”.

Subsec. (j)(4). Pub. L. 95-557, § 506(b), substituted “1490a(a)” for “1490a(a)(2)”.

1977—Subsec. (a)(1). Pub. L. 95-128, § 501(c), substituted “September 30, 1978” for “September 30, 1977”.

Pub. L. 95-80 substituted “September 30, 1977” for “July 31, 1977”.

Pub. L. 95-60 substituted “July 31, 1977” for “June 30, 1977”.

Subsec. (e). Pub. L. 95-128, § 502(b), required separate operation of guaranteed loan program and insured loan program and prohibited transfer of funds from one program to the other.

Subsec. (j)(5), (6). Pub. L. 95-128, § 506, added pars. (5) and (6).

Subsec. (n). Pub. L. 95-128, § 502(c), added subsec. (n).

Subsec. (o). Pub. L. 95-128, § 509, added subsec. (o).

1974—Subsec. (a)(1). Pub. L. 93-383, § 509(b), substituted “June 30, 1977” for “October 1, 1974”.

Subsec. (b). Pub. L. 93-383, §§ 516(b), 517, inserted reference to section 1490f of this title and provisions relating to transfer of notes from and compensation for the Agricultural Credit Insurance Fund.

Subsec. (d). Pub. L. 93-383, § 505(c)(1), struck out “as it becomes due” after “principal and interest”.

Subsec. (j). Pub. L. 93-383, §§ 505(c)(2), (3), 514(c), 519(b), in cl. (1) substituted “any payment” for “any prepayment” and “such payments” for “such prepayments” and inserted provision relating to next agreed annual or semiannual remittance date, in cl. (3) inserted provisions authorizing other services customary in the industry, etc., and added cl. (4).

1973—Subsec. (a)(1). Pub. L. 93-117 substituted “October 1, 1974” for “October 1, 1973”.

1970—Subsec. (j)(3). Pub. L. 91-609 authorized use of Fund moneys for expenses necessary to obtain credit reports on applicants or borrowers.

1969—Subsec. (a)(1). Pub. L. 91-152, § 413(a), substituted “October 1, 1973” for “January 1, 1970”.

Pub. L. 91-78 substituted “January 1, 1970” for “October 1, 1969”.

Subsec. (b). Pub. L. 91-152, § 413(f)(2), inserted reference to section 1490d of this title.

Subsec. (c). Pub. L. 91-152, § 413(b), struck out provision which imposed a limit of not to exceed \$100,000,000 on the aggregate amount of loans held by the Secretary at any one time.

Subsec. (d). Pub. L. 91-152, § 413(e)(2), inserted reference to subsec. (m) of this section and inserted “or otherwise acquired by” after “loans made from”.

Subsecs. (k) to (m). Pub. L. 91-152, § 413(c)-(e)(1), added subsecs. (k) to (m).

1966—Subsec. (a)(1). Pub. L. 89-754 substituted restriction against insurance or making of a loan under this par. after Oct. 1, 1969, except pursuant to a commit-

ment entered into before that date for former clause (C) which provided that such loans shall not exceed in the aggregate of \$300,000,000 of new loans made or insured in any one fiscal year.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

SALE OF RURAL HOUSING LOANS

Pub. L. 99-509, title II, § 2001, Oct. 21, 1986, 100 Stat. 1879, directed Secretary of Agriculture to take such actions as necessary to ensure that loans made under this subchapter are sold to public in amounts sufficient to provide a net reduction in outlays of not less than \$1,715,000,000 in fiscal year 1987 from proceeds of such sales, specified procedures and terms of sales, required Secretary to report to specified Congressional committees not later than 20 days before initial sale estimating amount of discount at which loans will be sold at such initial sale and estimating such amount at each subsequent sale during fiscal year 1987 and periodic reports to such committees, the first not later than 60 days after Oct. 21, 1986, and subsequent reports each 60 days thereafter, on Secretary's activities regarding such sales, authorized audits and evaluations of Secretary's activities by Comptroller General and reports on such audits and evaluations to Congressional committees, and excluded applicability of subsec. (d)(2) and (3) of this section to sale of loans.

§ 1488. Repealed. Pub. L. 91-152, title IV, § 413(e)(3), Dec. 24, 1969, 83 Stat. 399

Section, act July 15, 1949, ch. 338, title V, § 518, as added Aug. 10, 1965, Pub. L. 89-117, title X, § 1003(a), 79 Stat. 500, created the Rural Housing Direct Loan Account, set forth the composition of such Account, and authorized the issuance of notes to the Secretary of the Treasury.

§ 1489. Transfer of excess funds out of Rural Housing Insurance Fund

Any sums in the Rural Housing Insurance Fund which the Secretary determines are in excess of amounts needed to meet the obligations and carry out the purposes of such Fund shall be returned to miscellaneous receipts of the Treasury.

(July 15, 1949, ch. 338, title V, § 519, as added Pub. L. 89-117, title X, § 1006, Aug. 10, 1965, 79 Stat. 501; amended Pub. L. 91-152, title IV, § 413(e)(4), Dec. 24, 1969, 83 Stat. 399.)

Editorial Notes

AMENDMENTS

1969—Pub. L. 91-152 struck out applicability of provisions to Rural Housing Direct Loan Account.

§ 1490. “Rural” and “rural area” defined

As used in this subchapter, the terms “rural” and “rural area” mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which (1) has a population not in excess of 2,500 inhabitants, or (2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or (3) has a population in excess of 10,000

but not in excess of 20,000, and (A) is not contained within a standard metropolitan statistical area, and (B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this subchapter, any area classified as “rural” or a “rural area” prior to October 1, 1990, and determined not to be “rural” or a “rural area” as a result of data received from or after the 1990, 2000, 2010, or 2020 decennial census, and any area deemed to be a “rural area” for purposes of this subchapter under any other provision of law at any time during the period beginning January 1, 2000, and ending December 31, 2020, shall continue to be so classified until the receipt of data from the decennial census in the year 2030, if such area has a population in excess of 10,000 but not in excess of 35,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000.

(July 15, 1949, ch. 338, title V, § 520, as added Pub. L. 89-117, title X, § 1007, Aug. 10, 1965, 79 Stat. 502; amended Pub. L. 91-609, title VIII, § 803(e), Dec. 31, 1970, 84 Stat. 1807; Pub. L. 93-383, title V, § 511, Aug. 22, 1974, 88 Stat. 695; Pub. L. 94-375, § 25(b), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 98-181, title I [title V, § 515], Nov. 30, 1983, 97 Stat. 1247; Pub. L. 98-479, title I, § 105(g), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 99-120, § 3(b), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99-156, § 3(b), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99-219, § 3(b), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99-267, § 3(b), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99-272, title III, § 3009(b), Apr. 7, 1986, 100 Stat. 105; Pub. L. 99-289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99-345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99-430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100-122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100-170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100-242, title III, § 308, Feb. 5, 1988, 101 Stat. 1896; Pub. L. 101-137, § 7(b), Nov. 3, 1989, 103 Stat. 826; Pub. L. 101-625, title VII, § 715(a), Nov. 28, 1990, 104 Stat. 4296; Pub. L. 102-550, title VII, § 709, Oct. 28, 1992, 106 Stat. 3840; Pub. L. 105-276, title V, § 599H(g), Oct. 21, 1998, 112 Stat. 2669; Pub. L. 106-554, § 1(a)(4) [div. A, § 102], Dec. 21, 2000, 114 Stat. 2763, 2763A-172; Pub. L. 106-569, title VII, § 705, Dec. 27, 2000, 114 Stat. 3015; Pub. L. 113-79, title VI, § 6208, Feb. 7, 2014, 128 Stat. 861; Pub. L. 115-334, title VI, § 6305, Dec. 20, 2018, 132 Stat. 4752.)

Editorial Notes

AMENDMENTS

2018—Pub. L. 115-334 substituted “2010, or 2020 decennial census” for “or 2010 decennial census”, “December 31, 2020,” for “December 31, 2010,” and “year 2030” for “year 2020”.

2014—Pub. L. 113-79 substituted “1990, 2000, or 2010 decennial census, and any area deemed to be a ‘rural area’

for purposes of this subchapter under any other provision of law at any time during the period beginning January 1, 2000, and ending December 31, 2010, shall continue to be so classified until the receipt of data from the decennial census in the year 2020” for “1990 or 2000 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2010” and “35,000” for “25,000”.

2000—Pub. L. 106-554 and Pub. L. 106-569 amended second sentence identically, substituting “1990 or 2000 decennial census” for “1990 decennial census” and “year 2010” for “year 2000”.

1998—Pub. L. 105-276 inserted before period at end “, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000”.

1992—Pub. L. 102-550 inserted at end “Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter.”

1990—Pub. L. 101-625 substituted “cases” for “case” in first sentence, inserted “, and Guadalupe, in the State of Arizona” after “California”, and substituted last sentence for “For purposes of this subchapter, any area classified as ‘rural’ or a ‘rural area’ prior to the receipt of data from or after the 1980 decennial census and determined not to be ‘rural’ or a ‘rural area’ as a result of such data shall continue to be so classified through September 30, 1990, if such area has a population in excess of 10,000 but not in excess of 20,000.”

1989—Pub. L. 101-137 substituted “September 30, 1990” for “September 30, 1989”.

1988—Pub. L. 100-242 added parenthetical exception for Pajaro, in the State of California, and substituted “September 30, 1989” for “March 15, 1988”.

1987—Pub. L. 100-200 substituted “March 15, 1988” for “December 16, 1987”.

Pub. L. 100-179 substituted “December 16, 1987” for “December 2, 1987”.

Pub. L. 100-170 substituted “December 2, 1987” for “November 15, 1987”.

Pub. L. 100-154 substituted “November 15, 1987” for “October 31, 1987”.

Pub. L. 100-122 substituted “October 31, 1987” for “September 30, 1987”.

1986—Pub. L. 99-430 substituted “September 30, 1987” for “September 30, 1986”.

Pub. L. 99-345 substituted “September 30, 1986” for “June 6, 1986”.

Pub. L. 99-289 substituted “June 6, 1986” for “April 30, 1986”.

Pub. L. 99-272 directed amendment identical to Pub. L. 99-219, substituting “March 17, 1986” for “December 15, 1985”.

Pub. L. 99-267 substituted “April 30, 1986” for “March 17, 1986”.

1985—Pub. L. 99-219 substituted “March 17, 1986” for “December 15, 1985”.

Pub. L. 99-156 substituted “December 15, 1985” for “November 14, 1985”.

Pub. L. 99-120 substituted “November 14, 1985” for “the end of fiscal year 1985”.

1984—Pub. L. 98-479 substituted “1985” for “1984”.

1983—Pub. L. 98-181 inserted provisions relating to applicability of this subchapter through fiscal year 1984 to areas classified pursuant to 1980 decennial census.

1976—Cl. (3)(B). Pub. L. 94-375 inserted “for lower and moderate-income families” after “has a serious lack of mortgage credit”.

1974—Cl. (3). Pub. L. 93-383 added cl. (3).

1970—Pub. L. 91-609 substituted as upper population limit “10,000” for “5,500”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1990 AMENDMENT

Pub. L. 101-625, title VII, § 715(b), Nov. 28, 1990, 104 Stat. 4296, provided that: “The amendment made by

this section [amending this section] shall apply with respect to classification of rural areas for fiscal year 1991 and any fiscal year thereafter.”

§ 1490a. Loans to provide occupant owned, rental, and cooperative housing for low and moderate income, elderly or handicapped persons or families

(a) Interest rates; additional assistance; payments to owners; rent limitations

(1)(A) Notwithstanding the provisions of sections 1472, 1487(a) and 1485 of this title, loans to persons of low or moderate income under section 1472 or 1487(a)(1)¹ of this title, loans under section 1485 of this title to provide rental or cooperative housing and related facilities for persons and families of low or moderate income or elderly or handicapped persons or families and loans under section 1490f of this title to provide condominium housing for persons and families of low or moderate income, shall bear interest at a rate prescribed by the Secretary at not less than a rate determined by the Secretary of the Treasury upon the request of the Secretary taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum. Any loan guaranteed under this subchapter shall bear interest at such rate as may be agreed upon by the borrower and the lender.

(B) From the interest rate so determined, the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing. In the case of assistance provided under this subparagraph with respect to a loan under section 1472 of this title, the Secretary may not reduce, cancel, or refuse to renew the assistance due to an increase in the adjusted income of the borrower if the reduction, cancellation, or nonrenewal will cause the borrower to be unable to reasonably afford the resulting payments required under the loan.

(C) For persons of low income under section 1472 or 1487(a) of this title who the Secretary determines are unable to afford a dwelling with the assistance provided under subparagraph (B) and when the Secretary determines that assisted rental housing programs (as authorized under this subchapter, the National Housing Act [12 U.S.C. 1701 et seq.], and the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]) would be unsuitable in the area in which such persons reside, the Secretary may provide additional assistance, pursuant to amounts approved in appropriation Acts and for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between (i) the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and mainte-

nance, and (ii) 25 per centum of the income of such applicant. The amount of such additional assistance which may be approved in appropriation Acts may not exceed an aggregate amount of \$100,000,000. Such additional assistance may not be so approved with respect to any fiscal year beginning on or after October 1, 1981.

(D)(i) With respect to borrowers under section 1472 or 1487(a) of this title who have received assistance under subparagraph (B) or (C), the Secretary shall provide for the recapture of all or a portion of such assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Secretary shall make provisions to provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

(ii) In determining the amount recaptured under this subparagraph with respect to any loan made pursuant to section 1472(a)(3) of this title for the purchase of a dwelling located on land owned by a community land trust, the Secretary shall determine any appreciation of the dwelling based on any agreement between the borrower and the community land trust that limits the sale price or appreciation of the dwelling.

(E) Except for Federal or State laws relating to taxation, the assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under the National Housing Act [12 U.S.C. 1701 et seq.] and the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.].

(G) Interest on loans under section 1472 or 1487(a) of this title to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 1472 of this title without regard to this section.

(2)(A) The Secretary shall make and insure loans under this section and sections 1484, 1485, and 1487 of this title to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and shall make, and contract to make, assistance payments to the owners of such rental, congregate, or cooperative housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or

¹ See References in Text note below.