

scribed in paragraph (1)” for “ending on August 31, 1996”.

2008—Subsec. (a)(2). Pub. L. 110-246, §5003, substituted “\$300,000” for “\$200,000”.

1998—Pub. L. 105-277 inserted section catchline, designated first sentence as subsec. (a), inserted heading, and substituted “\$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the amount of any unpaid indebtedness of the borrower on loans under subchapter II that are guaranteed by the Secretary)” for “\$300,000”, designated second sentence as subsec. (b) and inserted heading, and added subsec. (c).

1992—Pub. L. 102-554 inserted reference to section 1935 of this title.

1978—Pub. L. 95-334 substituted provisions setting forth requirements for loans under sections 1922, 1923, 1924, and 1934 of this title for provisions setting forth requirements for loans under sections 1922, 1923, and 1924 of this title.

1973—Pub. L. 91-524, §807, as added by Pub. L. 93-86, substituted “\$225,000” for “\$100,000” in cl. (a), added cl. (b), and redesignated former cl. (b) as (c).

1972—Pub. L. 92-419 struck out “normal” before “value” in first and second sentences and before “market value” in last sentence.

1970—Pub. L. 91-620 substituted “\$100,000” for “\$60,000”.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

### § 1926. Water and waste facility loans and grants

#### (a) In general

(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, recreational developments, and essential community facilities including necessary related equipment, all primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of title 26, or as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681, 2681-37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Elec-

trification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents. When any loan made for a purpose specified in this paragraph is sold out of the Agricultural Credit Insurance Fund as an insured loan, the interest or other income thereon paid to an insured holder shall be included in gross income for purposes of chapter 1 of title 26. With respect to loans of less than \$500,000 made or insured under this paragraph that are evidenced by notes and mortgages, as distinguished from bond issues, borrowers shall not be required to appoint bond counsel to review the legal validity of the loan whenever the Secretary has available legal counsel to perform such review.

#### (2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

##### (A) AUTHORITY.—

(i) IN GENERAL.—The Secretary is authorized to make grants to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

(ii) AMOUNT.—The amount of any grant made under the authority of this subparagraph shall not exceed 75 per centum of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area.

(iii) GRANT RATE.—The Secretary shall fix the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates establishing higher rates for projects in communities that have lower community population and income levels.

#### (B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing financing to eligible entities for—

(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

(ii) ELIGIBLE ENTITIES.—To be eligible to obtain financing from a revolving fund under clause (i), an eligible entity must be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

(iii) MAXIMUM AMOUNT OF FINANCING.—The amount of financing made to an eligible entity under this subparagraph shall not exceed—

- (I) \$200,000 for costs described in clause (i)(I); and
- (II) \$200,000 for costs described in clause (i)(II).

(iv) TERM.—The term of financing provided to an eligible entity under this subparagraph shall not exceed 10 years.

(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

(vi) ANNUAL REPORT.—A nonprofit entity receiving a grant under this subparagraph shall submit to the Secretary an annual report that describes the number and size of communities served and the type of financing provided.

(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph \$15,000,000 for each of fiscal years 2019 through 2023.

(C) SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES AND HOUSEHOLDS PROGRAM.—

(i) IN GENERAL.—The Secretary may establish the Special Evaluation Assistance for Rural Communities and Households (SEARCH) program, to make predevelopment planning grants for feasibility studies, design assistance, and technical assistance, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects described in paragraph (1), this paragraph, and paragraph (24).

(ii) TERMS.—

(I) DOCUMENTATION.—With respect to grants made under this subparagraph, the Secretary shall require the lowest amount of documentation practicable.

(II) MATCHING.—Notwithstanding any other provisions in this subsection, the Secretary may fund up to 100 percent of the eligible costs of grants provided under this subparagraph, as determined by the Secretary.

(iii) FUNDING.—The Secretary may use not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facility activities under this chapter to carry out this subparagraph.

(iv) RELATIONSHIP TO OTHER AUTHORITY.—The funds and authorities provided under this subparagraph are in addition to any other funds or authorities the Secretary may have to carry out activities described in clause (i).

(3) No grant shall be made under paragraph (2) of this subsection in connection with any project unless the Secretary determines that the project (i) will serve a rural area which, if such project is carried out, is not likely to decline in population below that for which the project was designed, (ii) is designed and constructed so that adequate capacity will or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area, and (iii) is

necessary for an orderly community development consistent with a comprehensive community water, waste disposal, or other development plan of the rural area.

(4)(A) The term “development cost” means the cost of construction of a facility and the land, easements, and rights-of-way, and water rights necessary to the construction and operation of the facility.

(B) The term “project” shall include facilities providing central service or facilities serving individual properties, or both.

(5) APPLICATION REQUIREMENTS.—Not earlier than 60 days before a preliminary application is filed for a loan under paragraph (1) or a grant under paragraph (2) for a water or waste disposal purpose, a notice of the intent of the applicant to apply for the loan or grant shall be published in a general circulation newspaper. The selection of engineers for a project design shall be done by a request for proposals by the applicant.

(6) The Secretary may make grants aggregating not to exceed \$30,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare comprehensive plans for the development of water or waste disposal systems in rural areas which do not have funds available for immediate undertaking of the preparation of such plan.

(7) Repealed. Pub. L. 107-171, title VI, § 6020(b)(1), May 13, 2002, 116 Stat. 363.

(8) In each instance where the Secretary receives two or more applications for financial assistance for projects that would serve substantially the same group of residents within a single rural area, and one such application is submitted by a city, town, county or other unit of general local government, he shall, in the absence of substantial reasons to the contrary, provide such assistance to such city, town, county or other unit of general local government.

(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section for a water system unless the Secretary determines that the water system will make significant progress toward meeting the standards established under title XIV of the Public Health Service Act (commonly known as the “Safe Drinking Water Act”) (42 U.S.C. 300f et seq.).

(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—No Federal funds shall be made available under this section for a water treatment discharge or waste disposal system unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

(11) Repealed. Pub. L. 113-79, title VI, § 6012(b), Feb. 7, 2014, 128 Stat. 845.

(12)(A) The Secretary shall, in cooperation with institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503-505, as amended; 7 U.S.C. 301-305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute and State, substate, and regional planning bodies, establish a system for the dissemination of information and technical assistance on federally sponsored or funded pro-

grams. The system shall be for the use of institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503-505, as amended; 7 U.S.C. 301-305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute and State, substate, and regional planning bodies, and other persons concerned with rural development.

(B) The informational system developed under this paragraph shall contain all pertinent information, including, but not limited to, information contained in the Federal Procurement Data System, Federal Assistance Program Retrieval System, Catalogue of Federal Domestic Assistance, Geographic Distribution of Federal Funds, United States Census, and Code of Federal Regulations.

(C) The Secretary shall obtain from all other Federal departments and agencies comprehensive, relevant, and applicable information on programs under their jurisdiction that are operated in rural areas.

(D) Of the sums authorized to be appropriated to carry out the provisions of this chapter, not more than \$1,000,000 per year may be expended to carry out the provisions of this paragraph.

(13) In the making of loans and grants for community waste disposal and water facilities under paragraphs (1) and (2) of this subsection the Secretary shall accord highest priority to the application of any municipality or other public agency (including an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group) in a rural community having a population not in excess of five thousand five hundred and which, in the case of water facility loans, has a community water supply system, where the Secretary determines that due to unanticipated diminution or deterioration of its water supply, immediate action is needed, or in the case of waste disposal, has a community waste disposal system, where the Secretary determines that due to unanticipated occurrences the system is not adequate to the needs of the community. The Secretary shall utilize the Soil Conservation Service in rendering technical assistance to applicants under this paragraph to the extent he deems appropriate.

(14) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

(A) IN GENERAL.—The Secretary may make grants to private nonprofit organizations for the purpose of enabling them to provide to associations described in paragraph (1) of this subsection technical assistance and training to—

(i) identify, and evaluate alternative solutions to, problems relating to the obtaining, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

(ii) prepare applications to receive financial assistance for any purpose specified in paragraph (2) of this subsection from any public or private source;

(iii) improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

(iv) identify options to enhance the long-term sustainability of rural water and waste systems, including operational practices, revenue enhancements, partnerships, consolidation, regionalization, or contract services; and

(v) address the contamination of drinking water and surface water supplies by emerging contaminants, including per- and polyfluoroalkyl substances.

(B) SELECTION PRIORITY.—In selecting recipients of grants to be made under subparagraph (A), the Secretary shall give priority to private nonprofit organizations that have experience in providing the technical assistance and training described in subparagraph (A) to associations serving rural areas in which residents have low income and in which water supply systems or waste facilities are unhealthful.

(C) FUNDING.—Not less than 3 percent and not more than 5 percent of any funds appropriated to carry out paragraph (2) of this subsection for any fiscal year shall be reserved for grants under subparagraph (A) unless the applications, qualifying for grants, received by the Secretary from eligible nonprofit organizations for the fiscal year total less than 3 percent of those funds.

(15) In the case of water and waste disposal facility projects serving more than one separate rural community, the Secretary shall use the median population level and the community income level of all the separate communities to be served in applying the standards specified in paragraph (2) of this subsection and section 1927(a)(3)(A) of this title.

(16) Grants under paragraph (2) of this subsection may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under the law providing for such grant-in-aid program.

(17)(A) In the approval and administration of a loan made under paragraph (1) for a water or waste disposal facility, the Secretary shall consider fully any recommendation made by the loan applicant or borrower concerning the technical design and choice of materials to be used for such facility.

(B) If the Secretary determines that a design or materials, other than those that were recommended, should be used in the water or waste disposal facility, the Secretary shall provide such applicant or borrower with a comprehensive justification for such determination.

(18) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this chapter.

(19) COMMUNITY FACILITIES GRANT PROGRAM.—

(A) IN GENERAL.—The Secretary may make grants, in a total amount not to exceed \$10,000,000 for any fiscal year, to associations, units of general local government, nonprofit corporations, Indian Tribes (as defined in section 5304(e) of title 25), and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

(B) FEDERAL SHARE.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph for a facility shall not exceed 75 percent of the cost of developing the facility.

(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.

(20) COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH EXTREME UNEMPLOYMENT AND SEVERE ECONOMIC DEPRESSION.—

(A) DEFINITION OF NOT EMPLOYED RATE.—In this paragraph, the term “not employed rate”, with respect to a community, means the percentage of individuals over the age of 18 who reside within the community and who are ready, willing, and able to be employed but are unable to find employment, as determined by the department of labor of the State in which the community is located.

(B) GRANT AUTHORITY.—The Secretary may make grants to associations, units of general local government, nonprofit corporations, and Indian tribes (as defined in section 5304 of title 25) in a State to provide the Federal share of the cost of developing specific essential community facilities in rural communities with respect to which the not employed rate is greater than the lesser of—

(i) 500 percent of the average national unemployment rate on November 9, 2000, as determined by the Bureau of Labor Statistics; or

(ii) 200 percent of the average national unemployment rate during the Great Depression, as determined by the Bureau of Labor Statistics.

(C) FEDERAL SHARE.—Paragraph (19)(B) shall apply to a grant made under this paragraph.

(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph \$50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year, of which not more than 5 percent of the amount made available for a fiscal year shall be available for community planning and implementation.

(E) RURAL BROADBAND.—Notwithstanding subparagraph (C), the Secretary may make grants to State agencies for use by regulatory commissions in states<sup>1</sup> with rural communities without local broadband service to establish a competitively, technologically neutral grant program to telecommunications carriers or cable operators that establish common carrier facilities and services which, in the commission’s determination, will result in the long-term availability to such communities of affordable broadband services which

are used for the provision of high speed Internet access.

(21) COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH HIGH LEVELS OF OUT-MIGRATION OR LOSS OF POPULATION.—

(A) GRANT AUTHORITY.—The Secretary may make grants to associations, units of general local government, nonprofit corporations, and Indian tribes (as defined in section 5304 of title 25) in a State to provide the Federal share of the cost of developing specific essential community facilities in any geographic area—

(i) that is represented by—

(I) any political subdivision of a State;

(II) an Indian tribe on a Federal or State reservation; or

(III) other federally recognized Indian tribal group;

(ii) that is located in a rural area (as defined in section 2009<sup>2</sup> of this title);

(iii) with respect to which, during the most recent 5-year period, the net out-migration of inhabitants, or other population loss, from the area equals or exceeds 5 percent of the population of the area; and

(iv) that has a median household income that is less than the nonmetropolitan median household income of the United States.

(B) FEDERAL SHARE.—Paragraph (19)(B) shall apply to a grant made under this paragraph.

(C) Authorization of appropriations.—There are authorized to be appropriated to carry out this paragraph \$50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year, of which not more than 5 percent of the amount made available for a fiscal year shall be available for community planning and implementation.

(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

(A) IN GENERAL.—The Secretary shall continue a national rural water and wastewater circuit rider program that—

(i) is consistent with the activities and results of the program conducted before February 7, 2014, as determined by the Secretary; and

(ii) receives funding from the Secretary, acting through the Rural Utilities Service.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$25,000,000 for each of fiscal years 2019 through 2023.

(23) Repealed. Pub. L. 115-334, title VI, § 6601(a)(1)(A), Dec. 20, 2018, 132 Stat. 4775.

(24) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

(A) IN GENERAL.—The Secretary may guarantee a loan made to finance a community facility or water or waste facility project in a rural area, including a loan financed by the net proceeds of a bond described in section 142(a) of title 26.

(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an indi-

<sup>1</sup> So in original. Probably should be capitalized.

<sup>2</sup> See References in Text note below.

vidual or entity offering to purchase the loan shall demonstrate to the Secretary that the person has—

(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.

(C) **USE OF LOAN GUARANTEES FOR COMMUNITY FACILITIES.**—The Secretary shall consider the benefits to communities that result from using loan guarantees in carrying out the community facilities program and, to the maximum extent practicable, use guarantees to enhance community involvement.

(D) **PRIORITY.**—

(i) **WATER OR WASTE FACILITY.**—The Secretary shall prioritize water and waste facility projects under this paragraph in rural areas with a population of not more than 10,000 people.

(ii) **COMMUNITY FACILITY.**—Of the funds made available to carry out this paragraph for community facility loan guarantees for a fiscal year the following amounts shall be reserved for projects in rural areas with a population of not more than 20,000 inhabitants:

(I) 100 percent of the first \$200,000,000 so made available;

(II) 50 percent of the next \$200,000,000 so made available; and

(III) 25 percent of all amounts exceeding \$400,000,000 so made available,

except that, to the extent that the Secretary demonstrates that the funds so reserved are not needed to finance a community facility project in such a rural area, the Secretary may use the funds for other community facility projects in accordance with this paragraph.

(25) **TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.**—

(A) **IN GENERAL.**—The Secretary may make grants to an entity that is a Tribal College or University (as defined in section 1059c of title 20) to provide the Federal share of the cost of developing specific Tribal College or University essential community facilities in rural areas.

(B) **FEDERAL SHARE.**—The Secretary shall establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost of the facility.

(C) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this paragraph \$10,000,000 for each of fiscal years 2008 through 2023.

(26) **ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.**—

(A) **IN GENERAL.**—The Secretary may make grants to public bodies and private nonprofit corporations (such as States, counties, cities,

townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that will serve rural areas for the purpose of enabling the public bodies and private nonprofit corporations to provide to associations described in paragraph (1) technical assistance and training, with respect to essential community facilities programs authorized under this subsection—

(i) to assist communities in identifying and planning for community facility needs;

(ii) to identify public and private resources to finance community facility needs;

(iii) to prepare reports and surveys necessary to request financial assistance to develop community facilities;

(iv) to prepare applications for financial assistance;

(v) to improve the management, including financial management, related to the operation of community facilities; or

(vi) to assist with other areas of need identified by the Secretary.

(B) **SELECTION PRIORITY.**—In selecting recipients of grants under this paragraph, the Secretary shall give priority to private, nonprofit, or public organizations that have experience in providing technical assistance and training to rural entities.

(C) **FUNDING.**—Not less than 3 nor more than 5 percent of any funds appropriated to carry out each of the essential community facilities grant, loan and loan guarantee programs as authorized under this subsection for a fiscal year shall be reserved for grants under this paragraph.

**(b) Curtailment or limitation of service prohibited**

The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

**(c) Repealed. Pub. L. 91-606, title III, § 302(2), Dec. 31, 1970, 84 Stat. 1759**

**(d) Carryover of unused authorizations for appropriations**

Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year.

(Pub. L. 87-128, title III, § 306, Aug. 8, 1961, 75 Stat. 308; Pub. L. 87-703, title IV, § 401(2), Sept. 27, 1962, 76 Stat. 632; Pub. L. 89-240, § 1, Oct. 7, 1965, 79 Stat. 931; Pub. L. 89-769, § 6(b), Nov. 6, 1966, 80 Stat. 1318; Pub. L. 90-488, §§ 3-5, Aug. 15, 1968, 82 Stat. 770; Pub. L. 91-524, title VIII, § 806(a), Nov. 30, 1970, 84 Stat. 1383; Pub. L. 91-606,

title III, §302(2), Dec. 31, 1970, 84 Stat. 1759; Pub. L. 91-617, §1(a), Dec. 31, 1970, 84 Stat. 1855; Pub. L. 92-419, title I, §§104-112, Aug. 30, 1972, 86 Stat. 658, 659; Pub. L. 91-524, title VIII, §816(c), as added Pub. L. 93-86, §1(27)(B), Aug. 10, 1973, 87 Stat. 240; Pub. L. 95-334, title I, §§104-107(a), Aug. 4, 1978, 92 Stat. 421, 422; Pub. L. 96-355, §7, Sept. 24, 1980, 94 Stat. 1174; Pub. L. 96-438, §2(1), Oct. 13, 1980, 94 Stat. 1871; Pub. L. 97-35, title I, §121, Aug. 13, 1981, 95 Stat. 368; Pub. L. 99-198, title XIII, §1304(a), Dec. 23, 1985, 99 Stat. 1519; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 101-624, title XXIII, §§2316(b), 2321, 2328, 2329, 2341, 2342, 2393, Nov. 28, 1990, 104 Stat. 4008, 4010, 4017, 4026, 4027, 4057; Pub. L. 102-237, title VII, §701(a), (h)(1)(A), (B), Dec. 13, 1991, 105 Stat. 1879, 1880; Pub. L. 103-129, §3, Nov. 1, 1993, 107 Stat. 1366; Pub. L. 103-354, title II, §235(b)(5), Oct. 13, 1994, 108 Stat. 3222; Pub. L. 104-127, title VII, §§741(a), 758, 763, Apr. 4, 1996, 110 Stat. 1122, 1132, 1148; Pub. L. 106-387, §1(a) [title VII, §773], Oct. 28, 2000, 114 Stat. 1549, 1549A-45; Pub. L. 106-472, title III, §§304(a), 305(a), Nov. 9, 2000, 114 Stat. 2070, 2071; Pub. L. 107-76, title VII, §762, Nov. 28, 2001, 115 Stat. 743; Pub. L. 107-171, title VI, §§6001-6007(a), 6008, 6020(b)(1), May 13, 2002, 116 Stat. 352-355, 363; Pub. L. 110-234, title VI, §§6001, 6002(a), 6003-6007, title VII, §7511(c)(3), May 22, 2008, 122 Stat. 1161, 1162, 1267; Pub. L. 110-246, §4(a), title VI, §§6001, 6002(a), 6003-6007, title VII, §7511(c)(3), June 18, 2008, 122 Stat. 1664, 1923, 1924, 2029; Pub. L. 113-79, title VI, §§6001-6006, 6012(b), Feb. 7, 2014, 128 Stat. 841, 842, 845; Pub. L. 115-334, title VI, §§6402(b)-6406, 6601(a)(1)(A), 6701(a)(1), Dec. 20, 2018, 132 Stat. 4757-4759, 4775, 4778.)

### Editorial Notes

#### REFERENCES IN TEXT

Section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, referred to in subsec. (a)(1), is Pub. L. 105-277, div. A, §101(a) [title VII, §766], Oct. 21, 1998, 112 Stat. 2681, 2681-37, which is not classified to the Code.

The Rural Electrification Act of 1936, referred to in subsec. (a)(1), is act May 20, 1936, ch. 432, 49 Stat. 1363, which is classified generally to chapter 31 (§901 et seq.) of this title. For complete classification of this Act to the Code, see section 901 of this title and Tables.

This chapter, referred to in subsec. (a)(2)(C)(iii), (12)(D), (18), was in the original “this title”, meaning title III of Pub. L. 87-128, Aug. 8, 1961, 75 Stat. 307, known as the Consolidated Farm and Rural Development Act, which is classified principally to this chapter. For complete classification of title III to the Code, see Short Title note set out under section 1921 of this title and Tables.

The Public Health Service Act, referred to in subsec. (a)(9), is act July 1, 1944, ch. 373, 58 Stat. 682. Title XIV of the Act, known as the Safe Drinking Water Act, is classified principally to subchapter XII (§300f et seq.) of chapter 6A of Title 42, The Public Health and Welfare. For complete classification of these Acts to the Code, see Short Title note and Short Title of 1974 Amendments note set out under section 201 of Title 42 and Tables.

Act of July 2, 1862 (12 Stat. 503-505, as amended; 7 U.S.C. 301-305, 307 and 308), referred to in subsec. (a)(12)(A), is act July 2, 1862, ch. 130, 12 Stat. 503, popularly known as the “Morrill Act” and also as the “First Morrill Act”, which is classified generally to subchapter I (§301 et seq.) of chapter 13 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 301 of this title and Tables.

Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), referred to in subsec. (a)(12)(A), is act Aug. 30, 1890, ch. 841, 26 Stat. 417, as amended, popularly known as the Agricultural College Act of 1890 and also as the Second Morrill Act, which is classified generally to subchapter II (§321 et seq.) of chapter 13 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 321 of this title and Tables.

Section 2009 of this title, referred to in subsec. (a)(21)(A)(ii), was subsequently amended, and no longer defines the term “rural area”.

#### CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

#### AMENDMENTS

2018—Subsec. (a)(2)(B)(iii). Pub. L. 115-334, §6403(1), substituted “\$200,000” for “\$100,000” in subcls. (I) and (II).

Subsec. (a)(2)(B)(vii). Pub. L. 115-334, §6403(2), substituted “\$15,000,000 for each of fiscal years 2019 through 2023” for “\$30,000,000 for each of fiscal years 2008 through 2018”.

Subsec. (a)(14)(A)(iv), (v). Pub. L. 115-334, §6404(1), added cls. (iv) and (v).

Subsec. (a)(14)(C). Pub. L. 115-334, §6404(2), substituted “3 percent and not more than 5” for “1 nor more than 3” and “3 percent” for “1 per centum”.

Subsec. (a)(19)(A). Pub. L. 115-334, §6701(a)(1), inserted “Indian Tribes (as defined in section 5304(e) of title 25)” after “nonprofit corporations”.

Subsec. (a)(22)(B). Pub. L. 115-334, §6405, substituted “\$25,000,000 for each of fiscal years 2019 through 2023” for “\$20,000,000 for fiscal year 2014 and each fiscal year thereafter”.

Subsec. (a)(23). Pub. L. 115-334, §6601(a)(1)(A), struck out par. (23) which related to multijurisdictional regional planning organizations.

Subsec. (a)(24)(D). Pub. L. 115-334, §6402(b), added subpar. (D).

Subsec. (a)(25)(C). Pub. L. 115-334, §6406, substituted “2023” for “2018”.

2014—Subsec. (a)(2)(B)(vii). Pub. L. 113-79, §6001, substituted “2018” for “2012”.

Subsec. (a)(11). Pub. L. 113-79, §6012(b), struck out par. (11) which related to rural business opportunity grants.

Subsec. (a)(19)(C). Pub. L. 113-79, §6002, struck out subpar. (C) which related to reservation of funds for child day care facilities.

Subsec. (a)(22). Pub. L. 113-79, §6003, added par. (22) and struck out former par. (22) which related to rural water and wastewater circuit rider program.

Subsec. (a)(24)(C). Pub. L. 113-79, §6004, added subpar. (C).

Subsec. (a)(25)(C). Pub. L. 113-79, §6005, substituted “2018” for “2012”.

Subsec. (a)(26). Pub. L. 113-79, §6006, added par. (26).

2008—Subsec. (a)(2)(B)(vii). Pub. L. 110-246, §6001, substituted “2008 through 2012” for “2002 through 2007”.

Subsec. (a)(2)(C). Pub. L. 110-246, §6002(a), added subpar. (C).

Subsec. (a)(11)(C). Pub. L. 110-246, §7511(c)(3), substituted “the National Institute of Food and Agriculture” for “the Cooperative State Research, Education, and Extension Service”.

Subsec. (a)(11)(D). Pub. L. 110-246, §6003, substituted “2008 through 2012” for “1996 through 2007”.

Subsec. (a)(19)(C)(ii). Pub. L. 110-246, §6004, substituted “June” for “April”.

Subsec. (a)(20)(E). Pub. L. 110-246, §6005, substituted “State” for “state” and struck out “dial-up Internet access or” before “broadband service”.

Subsec. (a)(22)(C). Pub. L. 110-246, §6006, substituted “\$25,000,000 for fiscal year 2008” for “\$15,000,000 for fiscal year 2003”.

Subsec. (a)(25)(A). Pub. L. 110-246, §6007(1), substituted “grants to an entity that is a Tribal College or University” for “grants to tribal colleges and universities” and “specific Tribal College or University” for “specific tribal college or university”.

Subsec. (a)(25)(B). Pub. L. 110-246, §6007(2), added subpar. (B) and struck out former subpar. (B) which directed the Secretary to establish the maximum percentage of the cost of the facility that could be covered by a grant, provided that the amount of a grant was not to exceed 75 percent of the cost of developing the facility, and directed the Secretary to provide for a graduated scale that would provide higher percentages for facilities in communities with lower community population and income levels.

Subsec. (a)(25)(C). Pub. L. 110-246, §6007(3), substituted “2008 through 2012” for “2003 through 2007”.

2002—Subsec. (a)(1). Pub. L. 107-171, §6001, inserted after first sentence “The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of title 26, or as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681, 2681-37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.”

Subsec. (a)(2). Pub. L. 107-171, §6002, inserted heading, designated existing provisions as subpar. (A) and inserted heading, designated first sentence of subpar. (A) as cl. (i), inserted heading, and struck out “aggregating not to exceed \$590,000,000 in any fiscal year” after “authorized to make grants”, designated second sentence of subpar. (A) as cl. (ii), inserted heading, and substituted “subparagraph” for “paragraph”, designated third sentence of subpar. (A) as cl. (iii) and inserted heading, and added subpar. (B).

Subsec. (a)(7). Pub. L. 107-171, §6020(b)(1), struck out heading and text of par. (7). Text read as follows: “For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2), the terms ‘rural’ and ‘rural area’ mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.”

Subsec. (a)(11)(D). Pub. L. 107-171, §6003, substituted “\$15,000,000” for “\$7,500,000” and “2007” for “2002”.

Subsec. (a)(19)(C). Pub. L. 107-171, §6004, added subpar. (C).

Subsec. (a)(22) to (25). Pub. L. 107-171, §§6005-6007(a), 6008, added pars. (22) to (25).

2001—Subsec. (a)(20)(E). Pub. L. 107-76 added subpar. (E).

2000—Subsec. (a)(19)(A). Pub. L. 106-387, which directed amendment of section 306(a)(19)(A) of the Consolidated Farmers Home Administration Act of 1961 by inserting “Indian tribes (as such term is defined under section 5304(e) of title 25),” after “nonprofit corporations” and could not be executed as directed, was superseded by Pub. L. 115-334, §6701(a)(1). See 2018 Amendment note above and Effective Date of 2018 Amendment note below.

Subsec. (a)(20). Pub. L. 106-472, §304(a), added par. (20).

Subsec. (a)(21). Pub. L. 106-472, §305(a), added par. (21).

1996—Subsec. (a)(2). Pub. L. 104-127, §741(a)(1), substituted “\$590,000,000” for “\$500,000,000”.

Subsec. (a)(5). Pub. L. 104-127, §758, added par. (5).

Subsec. (a)(7). Pub. L. 104-127, §741(a)(2), added par. (7) and struck out former par. (7) which read as follows: “As used in this chapter, the terms ‘rural’ and ‘rural area’ shall not include any area in any city or town which has a population in excess of ten thousand inhabitants, except that (A) for the purpose of loans for essential community facilities under subsection (a)(1) of this section, the terms ‘rural’ and ‘rural area’ may include any area in any city or town that has a population not in excess of twenty thousand inhabitants;

and (B) for purposes of loans and grants for private business enterprises under sections 1924(b), 1932 and 1942(b), (c), and (d) of this title the terms ‘rural’ and ‘rural area’ may include all territory of a State that is not within the outer boundary of any city having a population of fifty thousand or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than one hundred persons per square mile, as determined by the Secretary of Agriculture according to the latest decennial census of the United States: *Provided*, That special consideration for such loans and grants shall be given to areas other than cities having a population of more than twenty-five thousand.”

Subsec. (a)(9), (10). Pub. L. 104-127, §741(a)(3), added pars. (9) and (10) and struck out former pars. (9) and (10) which read as follows:

“(9) No Federal funds shall be authorized for use unless it be certified by the appropriate State water pollution control agency that the water supply system authorized will not result in pollution of waters of the State in excess of standards established by that agency.

“(10) In the case of sewers and waste disposal systems, no Federal funds shall be advanced hereunder unless the appropriate State water pollution control agency shall certify that the effluent therefrom shall conform with appropriate State and Federal water pollution control standards when and where established.”

Subsec. (a)(11). Pub. L. 104-127, §741(a)(3), added par. (11) and struck out former par. (11) which authorized grants to public bodies, private nonprofit community development corporations or entities, or other agencies to enable such recipients to (1) identify and analyze business opportunities, including opportunities in export markets, that would use local rural economic and human resources, (2) identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers, (3) establish business support centers and otherwise assist in creation of new rural businesses, development of methods of financing local businesses, and enhancing capacity of local individuals and entities to engage in sound economic activities, and (4) conduct regional, community, and local economic development planning and coordination, and leadership development.

Subsec. (a)(14). Pub. L. 104-127, §741(a)(6)(A)-(D)(i), inserted par. heading and headings for subpars. (A) to (C), and realigned margins of subpars. and cls. (i) to (iii) of subpar. (A).

Pub. L. 104-127, §741(a)(4), (5), redesignated par. (16) as (14) and struck out former par. (14) which read as follows:

“(14)(A) The Secretary, under such reasonable rules and conditions as he shall establish, shall make grants to eligible volunteer fire departments for up to 50 per centum of the cost of firefighting equipment needed by such departments but which such departments are unable to purchase through the resources otherwise available to them, and for the cost of the training necessary to enable such departments to use such equipment efficiently.

“(B) For the purposes of this subsection, the term ‘eligible volunteer fire department’ means any established volunteer fire department in a rural town, village, or unincorporated area where the population is less than two thousand but greater than two hundred, as reasonably determined by the Secretary.”

Subsec. (a)(14)(C). Pub. L. 104-127, §741(a)(6)(D)(ii), which directed substitution of “3 percent of any funds appropriated” for “2 per centum of any funds provided in appropriations Acts”, was executed by making the substitution for “2 per centum of any funds provided in Appropriations Acts”, to reflect the probable intent of Congress.

Subsec. (a)(15). Pub. L. 104-127, §741(a)(4), (5), redesignated par. (17) as (15) and struck out former par. (15) which authorized making or insuring of loans to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public and

quasi-public agencies, for purpose of financing construction, acquisition, and operation of transmission facilities for any electric system owned and operated by a public body located in a rural area which was, as of October 1, 1976, receiving bulk power from designated agencies of Department of the Interior.

Subsec. (a)(16) to (18). Pub. L. 104-127, § 741(a)(5), redesignated pars. (18) to (20) as (16) to (18), respectively. Former pars. (16) to (18) redesignated (14) to (16), respectively.

Subsec. (a)(19). Pub. L. 104-127, § 763, added par. (19).

Pub. L. 104-127, § 741(a)(5), redesignated par. (19) as (17).

Subsec. (a)(20). Pub. L. 104-127, § 741(a)(5), redesignated par. (20) as (18).

1994—Subsec. (a)(15)(C), (D). Pub. L. 103-354 redesignated subpar. (D) as (C) and struck out former subpar. (C) which read as follows: "The Administrator of the Rural Electrification Administration shall administer loans made or insured under this paragraph."

1993—Subsec. (a)(1). Pub. L. 103-129 inserted after first sentence "The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents."

1991—Subsec. (a)(11)(B)(ii). Pub. L. 102-237, § 701(a)(1), in subcl. (I) inserted "and" after semicolon and in subcl. (II) substituted a period for "; and".

Subsec. (a)(12)(D), (20). Pub. L. 102-237, § 701(h)(1)(A), (B), substituted "this chapter" for "this Act".

Subsec. (a)(21). Pub. L. 102-237, § 701(a)(2), struck out par. (21) which was identical to par. (20).

1990—Subsec. (a)(1). Pub. L. 101-624, § 2328, inserted "rural businesses," after "farm laborers,".

Subsec. (a)(2). Pub. L. 101-624, § 2321, struck out "Provided, That for fiscal years commencing after September 30, 1981, such grants may not exceed \$154,900,000 in any fiscal year" after "in rural areas".

Subsec. (a)(3). Pub. L. 101-624, § 2316(b), struck out "and not inconsistent with any planned development provided in any State, multijurisdictional, county, or municipal plan approved by competent authority for the area in which the rural community is located, and the Secretary shall require the submission of all applications for financial assistance under this section to the multijurisdictional substate areawide general purpose planning and development agency that has been officially designated as a clearinghouse agency under Office of Management and Budget Circular A-95 and to the county or municipal government having jurisdiction over the area in which the proposed project is to be located for review and comment within a designated period of time not to exceed 30 days concerning among other considerations, the effect of the project upon the areawide goals and plans of such agency or government. No loan under this section shall be made that is inconsistent with any multijurisdictional planning and development district areawide plan of such agency. The Secretary is authorized to reimburse such agency or government for the cost of making the required review. Until October 1, 1973, the Secretary may make grants prior to the completion of the comprehensive plan, if the preparation of such plan has been undertaken for the area" after "of the rural area".

Subsec. (a)(11). Pub. L. 101-624, §§ 2341, 2342, amended par. (11) generally. Prior to amendment, par. (11) read as follows: "The Secretary may make grants, not to exceed \$15,000,000 annually, to public bodies or such other agencies as the Secretary may select to provide rural development technical assistance, rural community leadership development, and community and areawide rural development planning."

Subsec. (a)(20). Pub. L. 101-624, § 2329, added par. (20).

Subsec. (a)(21). Pub. L. 101-624, § 2393, added par. (21).

1986—Subsec. (a)(1), (15)(B). Pub. L. 99-514 substituted "Internal Revenue Code of 1986" for "Internal Revenue

Code of 1954", which for purposes of codification was translated as "title 26" thus requiring no change in text.

1985—Subsec. (a)(2). Pub. L. 99-198 provided for graduated scale of grant rates for each project and higher rates in communities having lower community population and income levels.

Subsec. (a)(16) to (19). Pub. L. 99-198 added pars. (16) to (19).

1981—Subsec. (a)(2). Pub. L. 97-35 inserted provisions limiting grants for fiscal years after Sept. 30, 1981.

1980—Subsec. (a)(7). Pub. L. 96-438 provided that for the purpose of loans for essential community facilities under subsection (a)(1) of this section, terms "rural" and "rural area" may include any area in any city or town with a population not in excess of twenty thousand.

Subsec. (a)(11) to (15). Pub. L. 96-355 in par. (11) substituted provisions authorizing annual grants not to exceed \$15,000,000 for rural development technical assistance, rural community leadership development, etc., for provisions authorizing annual grants not to exceed \$10,000,000 for preparation of comprehensive plans for rural development or designated aspects of such rural development, added par. (12), and redesignated former pars. (12) to (14) as (13) to (15), respectively.

1978—Subsec. (a)(1). Pub. L. 95-334, § 104, inserted provisions respecting bond counsel requirements for loans under \$500,000.

Subsec. (a)(2). Pub. L. 95-334, § 105, substituted "\$500,000,000" for "\$300,000,000" and "75" for "50".

Subsec. (a)(7). Pub. L. 95-334, § 106, struck out references to the Commonwealth of Puerto Rico and the Virgin Islands.

Subsec. (a)(14). Pub. L. 95-334, § 107(a), added par. (14).

1973—Subsec. (a)(13). Pub. L. 91-524, title VIII, § 816(c), as added by Pub. L. 93-86 added par. (13).

1972—Subsec. (a)(1). Pub. L. 92-419, § 104(1), (2), authorized loans to Indian tribes on Federal and State reservations and other federally recognized Indian tribes and included as an allowable use provision for essential community facilities including necessary related equipment, respectively.

Subsec. (a)(2). Pub. L. 92-419, § 105, substituted "\$300,000,000" for "\$100,000,000".

Subsec. (a)(3). Pub. L. 92-419, §§ 106, 107, substituted "project" for "facility" where first appearing; in item (i), substituted "project" for "facility" and inserted in such text "if such project is carried out,"; in item (ii), substituted "will or can be" for "will be or can be"; substituted "and (iii)" for "or (iii)" and in such item (iii), substituted "an orderly community development consistent with a comprehensive community water, waste disposal, or other development plan" and "development provided in any State, multijurisdictional, county, or municipal plan approved by competent authority" for "orderly community development consistent with a comprehensive community water or sewer development plan" and "development under State, county, or municipal plans approved as official plans by competent authority", substituted "Secretary shall require the submission of all applications for financial assistance under this section to the multijurisdictional substate areawide general purpose planning and development agency that has been officially designated as a clearinghouse agency under Office of Management and Budget Circular A-95 and to the county or municipal government having jurisdiction over the area in which the proposed project is to be located for review and comment within a designated period of time not to exceed 30 days concerning among other considerations, the effect of the project upon the areawide goals and plans of such agency or government" for "Secretary shall establish regulations requiring the submission of all applications for financial assistance under this chapter to the county or municipal government in which the proposed project is to be located for review and comment by such agency within a designated period of time"; prohibited loans inconsistent with multijurisdictional planning and development district



areawide plan of the agency; authorized agency or government reimbursement for cost of making the review; and extended authority for making grants prior to completion of the comprehensive plan from Oct. 1, 1971 to Oct. 1, 1973.

Subsec. (a)(5). Pub. L. 92-419, §110, struck out provisions of former par. (5) which prohibited any loan or grant under subsec. (a) of this section which would cause the unpaid principal indebtedness of any association under this chapter and Act Aug. 28, 1937, as amended (superseded by this chapter), together with amount of any assistance in the form of a grant to exceed \$4,000,000 at any one time.

Subsec. (a)(6). Pub. L. 92-419, §108, substituted “\$30,000,000” for “\$15,000,000”, struck out “official” before “comprehensive plans”, and substituted “waste disposal systems” for “sewer systems”.

Subsec. (a)(7). Pub. L. 92-419, §109, substituted definition of “rural” and “rural area” as excluding an area in a city or town with a population in excess of ten thousand inhabitants for prior provision for rural areas for purposes of water and waste disposal projects excluding an area in a city or town with a population in excess of 5,500 inhabitants, provided exception provision and special consideration for loans and grants to areas other than cities having a population of more than twenty-five thousand.

Subsec. (a)(11), (12). Pub. L. 92-419, §§111, 112, added pars. (11) and (12).

1970—Subsec. (a)(1). Pub. L. 91-617 required inclusion in gross income of the interest or other income paid to an insured holder when any loan made for a purpose specified in subsec. (a)(1) is sold out of the Agricultural Credit Insurance Fund as an insured loan.

Subsec. (c). Pub. L. 91-606 repealed subsec. (c), added by Pub. L. 89-769, §6(b), Nov. 6, 1966, 80 Stat. 1318, which related to loans to associations in areas suffering major disasters. See section 4401 et seq. of Title 42, The Public Health and Welfare.

Subsec. (d). Pub. L. 91-524 added subsec. (d).

1968—Subsec. (a). Pub. L. 90-488 substituted “\$100,000,000” for “\$50,000,000” in par. (2), “1971” for “1968” in par. (3), and “\$15,000,000” for “\$5,000,000” in par. (6), respectively.

1966—Subsec. (c). Pub. L. 89-769 added subsec. (c).

1965—Subsec. (a). Pub. L. 89-240 designated existing provisions as par. (1), struck out “including the development of recreational facilities” after “shifts in land use”, substituted “drainage or waste disposal facilities” for “drainage facilities”, inserted “and recreational developments”, deleted provisions which prohibited loans which would cause an association’s unpaid principal indebtedness to exceed \$500,000, in the case of direct loans and \$1,000,000 in the case of insured loans at any one time, and added pars. (2) to (10).

1962—Subsec. (a). Pub. L. 87-703 authorized loans to be made or insured to provide for the application or establishment of shifts in land use including the development of recreational facilities.

### Statutory Notes and Related Subsidiaries

#### EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-334, title VI, §6701(a)(2), Dec. 20, 2018, 132 Stat. 4778, provided that: “The amendment made by this subsection [amending this section] shall take effect as if included in section 773 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (H.R. 5426 of the 106th Congress, as enacted by Public Law 106-387 (114 Stat. 1549A-45)) in lieu of the amendment made by such section [see 2000 Amendment note above].”

#### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out

as an Effective Date note under section 8701 of this title.

Amendment by section 7511(c)(3) of Pub. L. 110-246 effective Oct. 1, 2009, see section 7511(c) of Pub. L. 110-246, set out as a note under section 1522 of this title.

#### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by section 701(a) of Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, and amendment by section 701(h)(1)(A), (B) of Pub. L. 102-237 to any provision specified therein effective as if included in act that added provision so specified at the time such act became law, see section 1101(b)(6), (c) of Pub. L. 102-237, set out as a note under section 1421 of this title.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-355 effective Oct. 1, 1980, see section 10 of Pub. L. 96-355, set out as an Effective Date note under section 2204b of this title.

#### EFFECTIVE DATE OF 1978 AMENDMENT

Pub. L. 95-334, title I, §105, Aug. 4, 1978, 92 Stat. 421, provided that the amendment made by that section is effective Oct. 1, 1978.

#### EFFECTIVE DATE OF 1970 AMENDMENTS

Pub. L. 91-617, §1(b), Dec. 31, 1970, 84 Stat. 1855, provided that: “The amendment made by subsection (a) [amending this section] shall apply to the insured loans sold out of the Agricultural Credit Insurance Fund after the date of the enactment of this Act [Dec. 31, 1970].”

Amendment by Pub. L. 91-606 effective Dec. 31, 1970, see section 304 of Pub. L. 91-606, set out as a note under section 165 of Title 26, Internal Revenue Code.

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-769 applicable with respect to any major disaster occurring after Oct. 3, 1964, see section 14 of Pub. L. 89-769.

#### TRANSFER OF FUNCTIONS

Powers, duties, and assets of agencies, offices, and other entities within Department of Agriculture relating to rural development functions transferred to Rural Development Administration by section 2302(b) of Pub. L. 101-624.

#### ASSISTANCE IN RURAL ALASKA

Pub. L. 106-387, §1(a) [title VII, §736], Oct. 28, 2000, 114 Stat. 1549, 1549A-33, provided that: “Notwithstanding any other provision of law, for any fiscal year, in the case of a high cost, isolated rural area of the State of Alaska that is not connected to a road system—

“(1) in the case of assistance provided by the Rural Housing Service for single family housing under title V of the Housing Act of 1949 (7 [42] U.S.C. 1471 et seq.), the maximum income level for the assistance shall be 150 percent of the average income level in metropolitan areas of the State;

“(2) in the case of community facility loans and grants provided under paragraphs (1) and (19), respectively, of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) and assistance provided under programs carried out by the Rural Utilities Service, the maximum income level for the loans, grants, and assistance shall be 150 percent of the average income level in nonmetropolitan areas of the State;

“(3) in the case of a business and industry guaranteed loan made under section 310B(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(1)), to the extent permitted under that Act, the Secretary of Agriculture shall—

“(A) guarantee the repayment of 90 percent of the principal and interest due on the loan; and

“(B) charge a loan origination and servicing fee in an amount not to exceed 1 percent of the amount of the loan; and

“(4) in the case of assistance provided under the Rural Community Development Initiative for fiscal year 2001 carried out under the rural community advancement program established under subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009 et seq.), the median household income level, and the not employed rate, with respect to applicants for assistance under the Initiative shall be scored on a community-by-community basis.”

**TEMPORARY EXPANDED ELIGIBILITY OF CERTAIN TIMBER-DEPENDENT COMMUNITIES IN PACIFIC NORTHWEST FOR LOANS AND GRANTS FROM RURAL DEVELOPMENT ADMINISTRATION**

Pub. L. 103-427, Oct. 31, 1994, 108 Stat. 4373, provided that:

“(a) FINDINGS.—Congress finds the following:

“(1) Timber-dependent communities in the Pacific Northwest have contributed significantly to the economic needs of the United States and have helped ensure an adequate national supply of timber and timber products.

“(2) A significant portion of the timber traditionally harvested in the Pacific Northwest is derived from Federal forest lands, and these forests have played an important role in sustaining local economies.

“(b) EXPANDED ELIGIBILITY.—During the period beginning on the date of the enactment of this Act [Oct. 31, 1994] and ending on September 30, 1998, the terms ‘rural’ and ‘rural area’, as used in the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), shall include any town, city, or municipality—

“(1) part or all of which lies within 100 miles of the boundary of a national forest covered by the Federal document entitled ‘Forest Plan for a Sustainable Economy and a Sustainable Environment’, dated July 1, 1993;

“(2) that is located in a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, or forest-related industries such as recreation and tourism; and

“(3) that has a population of not more than 25,000 inhabitants.

“(c) EFFECT ON STATE ALLOTMENTS OF FUNDS.—This section shall not be taken into consideration in allotting funds to the various States for purposes of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or otherwise affect or alter the manner under which such funds were allotted to States before the date of the enactment of this Act [Oct. 31, 1994].”

**RURAL WASTEWATER TREATMENT CIRCUIT RIDER PROGRAM**

Pub. L. 101-624, title XXIII, §2324, Nov. 28, 1990, 104 Stat. 4013, directed Secretary to establish national rural wastewater circuit rider grant program that was to be modeled after existing National Rural Water Association Rural Water Circuit Rider Program that received funding from Farmers Home Administration and authorized \$4,000,000 for each fiscal year to carry out such program, prior to repeal by Pub. L. 104-127, title VII, §703, Apr. 4, 1996, 110 Stat. 1108.

**INTEREST RATE RESTRUCTURING FOR CERTAIN BORROWERS**

Pub. L. 100-233, title VI, §615(b)(2), Jan. 6, 1988, 101 Stat. 1682, provided that: “Effective July 29, 1987, the interest rate charged on any loan of \$2,000,000 or more made on such date under section 306 [7 U.S.C. 1926] to any nonprofit corporation shall be the interest rate quoted to such nonprofit corporation by the Farmers Home Administration on June 22, 1987, in the request for obligation of funds made with respect to the loan.”

**LEASE OF CERTAIN ACQUIRED PROPERTY**

Pub. L. 100-233, title VI, §620, Jan. 6, 1988, 101 Stat. 1684, provided that: “Notwithstanding any other provision of law, the Secretary of Agriculture may lease to public or private nonprofit organizations, for a nominal rent, any facilities acquired in connection with the disposition of a loan made by the Secretary under section 306 [7 U.S.C. 1926]. Any such lease shall be for such reasonable period of time as the Secretary determines is appropriate.”

**§ 1926-1. Repealed. Pub. L. 104-127, title VII, §702, Apr. 4, 1996, 110 Stat. 1108**

Section, Pub. L. 101-624, title XXIII, §2322, Nov. 28, 1990, 104 Stat. 4010; Pub. L. 102-237, title VII, §702(f), Dec. 13, 1991, 105 Stat. 1880; Pub. L. 103-354, title II, §235(b)(6), Oct. 13, 1994, 108 Stat. 3222, related to water and waste facility financing, including provisions relating to authority, limitation, priority, coordination, terms, private sector capital, appropriations, repayment, full use, and replenishment of water and waste facility fund.

**§ 1926a. Emergency and imminent community water assistance grant program**

**(a) In general**

The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities, or when such a decline is imminent; or

(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy—

(A) an acute, or imminent, shortage of quality water; or

(B) a significant decline, or imminent decline, in the quantity or quality of water that is available.

**(b) Priority**

In carrying out subsection (a), the Secretary shall—

(1) give priority to projects described in subsection (a)(1), particularly to projects to address contamination that—

(A) poses a threat to human health or the environment; and

(B) was caused by circumstances beyond the control of the applicant for a grant, including circumstances that occurred over a period of time; and

(2) provide at least 70 percent of all such grants to such projects.

**(c) Eligibility**

To be eligible to obtain a grant under this section, an applicant shall—

(1) be a public or private nonprofit entity; and

(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred, or will occur, within 2 years of the date the application was filed for such grant.

**(d) Uses**

**(1) In general**

Grants made under this section may be used—