

debentures issued by any rural business investment company.

(b) Terms and conditions

The Secretary may make guarantees under this section on such terms and conditions as the Secretary considers appropriate, except that the term of any debenture guaranteed under this section shall not exceed 15 years.

(c) Full faith and credit of the United States

Section 2009g(i) of this title shall apply to any guarantee under this section.

(d) Maximum guarantee

Under this section, the Secretary may—

(1) guarantee the debentures issued by a rural business investment company only to the extent that the total face amount of outstanding guaranteed debentures of the rural business investment company does not exceed the lesser of—

- (A) 300 percent of the private capital of the rural business investment company; or
- (B) \$105,000,000; and

(2) provide for the use of discounted debentures.

(Pub. L. 87-128, title III, §384E, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 393.)

§ 2009cc-5. Issuance and guarantee of trust certificates

(a) Issuance

The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a rural business investment company and guaranteed by the Secretary under this subchapter, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

(b) Guarantee

(1) In general

The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this section.

(2) Limitation

Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

(3) Prepayment or default

(A) In general

(i) Authority to prepay

A debenture may be prepaid at any time without penalty.

(ii) Reduction of guarantee

Subject to clause (i), if a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of prin-

cipal and interest the prepaid debenture represents in the trust or pool.

(B) Interest

Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

(C) Redemption

At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

(c) Full faith and credit of the United States

Section 2009g(i) of this title shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

(d) Subrogation and ownership rights

(1) Subrogation

If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

(2) Ownership rights

No Federal, State, or local law shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this section.

(e) Management and administration

(1) Registration

The Secretary shall provide for a central registration of all trust certificates issued under this section.

(2) Creation of pools

The Secretary may—

- (A) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subchapter; and
- (B) issue trust certificates to facilitate the creation of those trusts or pools.

(3) Fidelity bond or insurance requirement

Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

(4) Regulation of brokers and dealers

The Secretary may regulate brokers and dealers in trust certificates issued under this section.

(5) Electronic registration

Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

(Pub. L. 87-128, title III, §384F, as added Pub. L. 107-171, title VI, §6029, May 13, 2002, 116 Stat. 393; amended Pub. L. 110-234, title VI, §6027(a), May 22, 2008, 122 Stat. 1182; Pub. L. 110-246, §4(a), title VI, §6027(a), June 18, 2008, 122 Stat. 1664, 1943.)

Editorial Notes

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

2008—Subsec. (b)(3)(A). Pub. L. 110-246, § 6027(a), added cl. (i), designated existing provisions as cl. (ii), inserted heading, and substituted “Subject to clause (i), if” for “In the event”.

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.

§ 2009cc-6. Fees**(a) In general**

The Secretary may charge such fees as the Secretary considers appropriate, so long as those fees are proportionally equal for each rural business investment company, with respect to any guarantee or grant issued under this subchapter.

(b) Trust certificate

Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 2009cc-5 of this title, except that any agent of the Secretary may collect such fees as the Secretary considers appropriate, so long as those fees are proportionally equal for each rural business investment company, for the functions described in section 2009cc-5(e)(2) of this title.

(c) License**(1) In general**

Except as provided in paragraph (3), the Secretary may prescribe fees to be paid by each applicant for a license to operate as a rural business investment company under this subchapter.

(2) Use of amounts

Fees collected under this subsection—

(A) shall be deposited in the account for salaries and expenses of the Secretary;

(B) are authorized to be appropriated as the Secretary considers appropriate; and

(C) shall be in such amounts as the Secretary considers appropriate.

(3) Prohibition on collection of certain fees

In the case of a license described in paragraph (1) that was approved before July 1, 2007, the Secretary shall not collect any fees due on or after the date of enactment of this paragraph.

(Pub. L. 87-128, title III, § 384G, as added Pub. L. 107-171, title VI, § 6029, May 13, 2002, 116 Stat. 395; amended Pub. L. 110-234, title VI, § 6027(b), May 22, 2008, 122 Stat. 1182; Pub. L. 110-246, § 4(a), title VI, § 6027(b), June 18, 2008, 122 Stat. 1664, 1943; Pub. L. 115-334, title VI, § 6426(d), Dec. 20, 2018, 132 Stat. 4771.)

Editorial Notes

REFERENCES IN TEXT

The date of enactment of this paragraph, referred to in subsec. (c)(3), is the date of enactment of Pub. L. 110-246, which was approved June 18, 2008.

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—Subsecs. (a), (b). Pub. L. 115-334, § 6426(d)(1), substituted “such fees as the Secretary considers appropriate, so long as those fees are proportionally equal for each rural business investment company,” for “a fee that does not exceed \$500”.

Subsec. (c)(2)(B). Pub. L. 115-334, § 6426(d)(2)(A), substituted “as the Secretary considers appropriate” for “solely to cover the costs of licensing examinations”.

Subsec. (c)(2)(C). Pub. L. 115-334, § 6426(d)(2)(B), added subpar. (C) and struck out former subpar. (C) which read as follows: “shall not exceed \$500 for any fee collected under this subsection.”

2008—Subsec. (a). Pub. L. 110-246, § 6027(b)(1), substituted “a fee that does not exceed \$500” for “such fees as the Secretary considers appropriate”.

Subsec. (b). Pub. L. 110-246, § 6027(b)(2), substituted “that does not exceed \$500” for “approved by the Secretary”.

Subsec. (c)(1). Pub. L. 110-246, § 6027(b)(3)(A), substituted “Except as provided in paragraph (3), the” for “The”.

Subsec. (c)(2)(C). Pub. L. 110-246, § 6027(b)(3)(B), added subpar. (C).

Subsec. (c)(3). Pub. L. 110-246, § 6027(b)(3)(C), added par. (3).

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.

§ 2009cc-7. Operational assistance grants**(a) In general**

In accordance with this section, the Secretary may make grants to rural business investment companies and to other entities, as authorized by this subchapter, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

(b) Terms

Grants made under this section shall be made over a multiyear period (not to exceed 10 years) under such terms as the Secretary may require.

(c) Use of funds

The proceeds of a grant made under this section may be used by the rural business investment company receiving the grant only to provide operational assistance in connection with an equity or prospective equity investment in a business located in a rural area.

(d) Submission of plans

A rural business investment company shall be eligible for a grant under this section only if the rural business investment company submits to the Secretary, in such form and manner as the