

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE

Section effective May 11, 1973, see section 12 of Pub. L. 93-32, set out as a note under section 930 of this title.

**§ 907. Acquisition of property pledged for loans; disposition; sale of pledged property by borrower**

The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire, property pledged or mortgaged to secure any loan made pursuant to this chapter; to pay the purchase price and any costs and expenses incurred in connection therewith from the sums authorized in section 903 of this title; to accept title to any property so purchased or acquired in the name of the United States of America; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein, but not to exceed five years after the acquisition thereof; and to sell such property so purchased or acquired, upon such terms and for such consideration as the Secretary shall determine to be reasonable.

No borrower of funds under sections 904 or 922 of this title shall, without the approval of the Secretary, sell or dispose of its property, rights, or franchises, acquired under the provisions of this chapter, until any loan obtained from the Rural Electrification Administration, including all interest and charges, shall have been repaid.

(May 20, 1936, ch. 432, title I, § 7, 49 Stat. 1365; Oct. 28, 1949, ch. 776, §§ 2, 4(f), 63 Stat. 948; Pub. L. 103-354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

**Editorial Notes**

## AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator” wherever appearing.

1949—Act Oct. 28, 1949, inserted “or section 922” after “904” in second par., and inserted “title I,” in credit of act May 20, 1936.

**§ 908. Limitations on use of assistance**

(a) Subject to subsections (b) and (c) of this section, the Secretary may allow a recipient of a grant, loan, or loan guarantee under this subchapter to set aside not more than 10 percent of the amount so received to provide retail broadband service.

(b) A recipient who sets aside funds under subsection (a) of this section may use the funds only in an area that is not being provided with the minimum acceptable level of broadband service established under section 950bb(e) of this title, unless the recipient meets the requirements of section 950bb(d) of this title.

(c) Nothing in this section shall be construed to limit the ability of any borrower to finance or deploy services authorized under this chapter.

(d) The Secretary shall not provide funding under subsection (a) if the funding would result in competitive harm to any grant, loan, or loan guarantee referred to in subsection (a).

(May 20, 1936, ch. 432, title I, § 8, as added Pub. L. 115-334, title VI, § 6210(b), Dec. 20, 2018, 132 Stat. 4744.)

**Editorial Notes**

## PRIOR PROVISIONS

A prior section 908, acts May 20, 1936, ch. 432, title I, § 8, 49 Stat. 1366; Oct. 28, 1949, ch. 776, § 2, 63 Stat. 948; Oct. 13, 1994, Pub. L. 103-354, title II, § 235(a)(4), 108 Stat. 3221, related to transfer of functions of Rural Electrification Administration created by Executive Order No. 7037, prior to repeal by Pub. L. 104-127, title VII, § 776, Apr. 4, 1996, 110 Stat. 1150.

**§ 909. Administration on nonpolitical basis; dismissal of officers or employees for violating provision**

This chapter shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. If the Secretary herein provided for is found by the President of the United States to be guilty of a violation of this section, he shall be removed from office by the President, and any appointee or selection of officials or employees made by the Secretary who is found guilty of a violation of this chapter shall be removed by the Secretary.

(May 20, 1936, ch. 432, title I, § 9, 49 Stat. 1366; Oct. 28, 1949, ch. 776, § 2, 63 Stat. 948; Pub. L. 103-354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

**Editorial Notes**

## AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator” wherever appearing.

1949—Act Oct. 28, 1949, inserted “title I,” in credit of act May 20, 1936.

**§ 910. Repealed. Pub. L. 104-127, title VII, § 777, Apr. 4, 1996, 110 Stat. 1150**

Section, acts May 20, 1936, ch. 432, title I, § 10, 49 Stat. 1366; Oct. 28, 1949, ch. 776, § 2, 63 Stat. 948; Apr. 21, 1976, Pub. L. 94-273, § 11(1), 90 Stat. 378; Oct. 13, 1994, Pub. L. 103-354, title II, § 235(a)(13), 108 Stat. 3221, required Secretary to present annually to Congress, not later than Apr. 20, report of Secretary’s activities under this chapter.

**§ 911. Acceptance of services of Federal or State officers; application of civil service laws; expenditures for supplies and equipment**

In order to carry out the provisions of this chapter the Secretary may accept and utilize such voluntary and uncompensated services of Federal, State, and local officers and employees as are available, and he may appoint and fix the compensation of attorneys, engineers, and experts and he may, subject to the civil-service laws, appoint such other officers and employees as he may find necessary and prescribe their duties. The Secretary is authorized, from sums appropriated pursuant to section 906 of this title, to make such expenditures (including expenditures for personal services; supplies and equipment; lawbooks and books of reference; directories and periodicals; travel expenses; rental at the seat of government and elsewhere; the purchase, operation, or maintenance of passenger-

carrying vehicles; and printing and binding) as are appropriate and necessary to carry out the provisions of this chapter.

(May 20, 1936, ch. 432, title I, §11, 49 Stat. 1366; Oct. 28, 1949, ch. 776, §2, 63 Stat. 948; Pub. L. 103-354, title II, §235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

#### Editorial Notes

##### CODIFICATION

Provisions which authorized the appointment and fixing of compensation of attorneys, engineers, and experts "without regard to the provisions of the civil service laws applicable to officers and employees of the United States" were omitted from the Code as obsolete and superseded. Such appointments are now subject to the civil service laws unless specifically excepted by those laws or by laws enacted subsequent to Executive Order 8743, Apr. 23, 1941, issued by the President pursuant to act Nov. 26, 1940, ch. 919, title I, §1, 54 Stat. 1211, which covered most excepted positions into the classified (competitive) civil service. The Order is set out as a note under section 3301 of Title 5, Government Organization and Employees. As to the compensation of such personnel, sections 1202 and 1204 of the Classification Act of 1949, 63 Stat. 972, 973, repealed the Classification Act of 1923 and all other laws or parts of laws inconsistent with the 1949 Act. The Classification Act of 1949 was repealed by Pub. L. 89-554, Sept. 6, 1966, §8(a), 80 Stat. 632, and reenacted as chapter 51 and subchapter III of chapter 53 of Title 5. Section 5102 of Title 5 now contains the applicability provisions of the 1949 Act, and section 5103 of Title 5 authorizes the Office of Personnel Management to determine the applicability to specific positions and employees.

##### AMENDMENTS

1994—Pub. L. 103-354 substituted "Secretary" for "Administrator" in two places.

1949—Act Oct. 28, 1949, inserted "title I," in credit of act May 20, 1936.

#### § 911a. Repealed. Pub. L. 103-354, title II, § 235(a)(5), Oct. 13, 1994, 108 Stat. 3221

Section, act May 20, 1936, ch. 432, title I, §11A, as added Nov. 28, 1990, Pub. L. 101-624, title XXIII, §2350, 104 Stat. 4037; amended Dec. 13, 1991, Pub. L. 102-237, title VII, §703(a), 105 Stat. 1881, related to Assistant Administrator for Economic Development.

#### § 912. Extension of time for repayment of loans

##### (a) In general

The Secretary is authorized and empowered to extend the time of payment of interest or principal of any loans made by the Secretary pursuant to this chapter, except that, with respect to any loan made under section 904 or 922 of this title, the payment of interest or principal shall not be extended more than five years after such payment shall have become due.

##### (b) Terms of deferment

(1) Subject to limitations established in appropriations Acts, the Secretary shall permit any borrower to defer the payment of principal and interest on any insured or direct loan made under this chapter under circumstances described in this subsection, notwithstanding any limitation contained in subsection (a), except that such deferment shall not be permitted based on the determination of the Secretary of the financial hardship of the borrower.

(2)(A) In the case of deferments made to enable the borrower to provide financing to local busi-

nesses, the deferment shall be repaid in equal installments, without the accrual of interest, over the 60-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

(B) In the case of deferments made to enable the borrower to provide community development assistance, technical assistance to businesses, and for other community, business, or economic development projects not included under subparagraph (A), the deferment shall be repaid in equal installments, without the accrual of interest, over the 120-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

(3)(A) A borrower may defer its debt service payments only in an amount equal to an investment made by such borrower as described in paragraph (2).

(B) The amount of the deferment shall not exceed 50 percent of the total cost of a community or economic development project for which a deferment is provided under this subsection.

(C) The total amount of deferments under this subsection during each of the fiscal years 1990 through 1993 shall not exceed 3 percent of the total payments due during such fiscal year from all borrowers on direct and insured loans made under this chapter and shall not exceed 5 percent of such total payments due in each subsequent fiscal year.

(D) At the time of a deferment, the borrower shall make a payment to a cushion of credit account established and maintained pursuant to section 940c of this title in an amount equal to the amount of the payment deferred. The balance of such account shall not be reduced by the borrower below the level of the unpaid balance of the payment deferred. Subject to limitations established in annual appropriations Acts, such cushion of credit amounts and any other cushion of credit and advance payments of any borrower shall be included in the interest differential calculation under section 940c(b)(2) of this title.

(4) The Secretary shall undertake all reasonable efforts to permit the full amount of deferments authorized by this subsection during each fiscal year.

##### (c) Deferment of payments on loans

###### (1) In general

The Secretary shall allow borrowers to defer payment of principal and interest on any direct loan made under this chapter to enable the borrower to make loans to residential, commercial, and industrial consumers—

(A) to conduct energy efficiency and use audits; and

(B) to install energy efficient measures or devices that reduce the demand on electric systems.

###### (2) Amount

The total amount of a deferment under this subsection shall not exceed the sum of the principal and interest on the loans made to a customer of the borrower, as determined by the Secretary.

###### (3) Term

The term of a deferment under this subsection shall not exceed 60 months.