

TITLE 2 - THE CONGRESS
CHAPTER 17A - CONGRESSIONAL BUDGET AND FISCAL OPERATIONS
SUBCHAPTER III - CREDIT REFORM

§ 661d. Authorizations

(a) Authorization of appropriations for costs

There are authorized to be appropriated to each Federal agency authorized to make direct loan obligations or loan guarantee commitments, such sums as may be necessary to pay the cost associated with such direct loan obligations or loan guarantee commitments.

(b) Authorization for financing accounts

In order to implement the accounting required by this subchapter, the President is authorized to establish such non-budgetary accounts as may be appropriate.

(c) Treasury transactions with financing accounts

The Secretary of the Treasury shall borrow from, receive from, lend to, or pay to the financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described above, except that the rate of interest charged by the Secretary on lending to financing accounts (including amounts treated as lending to financing accounts by the Federal Financing Bank (hereinafter in this subsection referred to as the “Bank”) pursuant to section 655 (b)¹ of this title) and the rate of interest paid to financing accounts on uninvested balances in financing accounts shall be the same as the rate determined pursuant to section 661a (5)(E) of this title. For guaranteed loans financed by the Bank and treated as direct loans by a Federal agency pursuant to section 655 (b)¹ of this title, any fee or interest surcharge (the amount by which the interest rate charged exceeds the rate determined pursuant to section 661a (5)(E) of this title) that the Bank charges to a private borrower pursuant to section 2285 (c) of title 12 shall be considered a cash flow to the Government for the purposes of determining the cost of the direct loan pursuant to section 661a (5) of this title. All such amounts shall be credited to the appropriate financing account. The Bank is authorized to require reimbursement from a Federal agency to cover the administrative expenses of the Bank that are attributable to the direct loans financed for that agency. All such payments by an agency shall be considered administrative expenses subject to section 661c (g) of this title. This subsection shall apply to transactions related to direct loan obligations or loan guarantee commitments made on or after October 1, 1991. The authorities described above shall not be construed to supersede or override the authority of the head of a Federal agency to administer and operate a direct loan or loan guarantee program. All of the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31. Cash balances of the financing accounts in excess of current requirements shall be maintained in a form of uninvested funds and the Secretary of the Treasury shall pay interest on these funds.

(d) Authorization for liquidating accounts

(1) Amounts in liquidating accounts shall be available only for payments resulting from direct loan obligations or loan guarantee commitments made prior to October 1, 1991, for—

- (A)** interest payments and principal repayments to the Treasury or the Federal Financing Bank for amounts borrowed;
- (B)** disbursements of loans;
- (C)** default and other guarantee claim payments;
- (D)** interest supplement payments;
- (E)** payments for the costs of foreclosing, managing, and selling collateral that are capitalized or routinely deducted from the proceeds of sales;
- (F)** payments to financing accounts when required for modifications;

NB: This unofficial compilation of the U.S. Code is current as of Jan. 4, 2010 (see <http://www.law.cornell.edu/uscode/uscript.html>).

(G) administrative expenses, if—

- (i) amounts credited to the liquidating account would have been available for administrative expenses under a provision of law in effect prior to October 1, 1991; and
- (ii) no direct loan obligation or loan guarantee commitment has been made, or any modification of a direct loan or loan guarantee has been made, since September 30, 1991; or

(H) such other payments as are necessary for the liquidation of such direct loan obligations and loan guarantee commitments.

(2) Amounts credited to liquidating accounts in any year shall be available only for payments required in that year. Any unobligated balances in liquidating accounts at the end of a fiscal year shall be transferred to miscellaneous receipts as soon as practicable after the end of the fiscal year.

(3) If funds in liquidating accounts are insufficient to satisfy obligations and commitments of such accounts, there is hereby provided permanent, indefinite authority to make any payments required to be made on such obligations and commitments.

(e) Authorization of appropriations for implementation expenses

There are authorized to be appropriated to existing accounts such sums as may be necessary for salaries and expenses to carry out the responsibilities under this subchapter.

(f) Reinsurance

Nothing in this subchapter shall be construed as authorizing or requiring the purchase of insurance or reinsurance on a direct loan or loan guarantee from private insurers. If any such reinsurance for a direct loan or loan guarantee is authorized, the cost of such insurance and any recoveries to the Government shall be included in the calculation of the cost.

(g) Eligibility and assistance

Nothing in this subchapter shall be construed to change the authority or the responsibility of a Federal agency to determine the terms and conditions of eligibility for, or the amount of assistance provided by a direct loan or a loan guarantee.

Footnotes

¹ See References in Text note below.

(Pub. L. 93–344, title V, § 505, as added Pub. L. 101–508, title XIII, § 13201(a), Nov. 5, 1990, 104 Stat. 1388–613; amended Pub. L. 105–33, title X, § 10117(c), Aug. 5, 1997, 111 Stat. 694.)

References in Text

Section 655 (b) of this title, referred to in subsec. (c), was in the original “section 406 (b)” and was translated as reading “section 405 (b)”, meaning section 405(b) of Pub. L. 93–344, to reflect the probable intent of Congress because of context and because section 406 does not contain a subsec. (b).

Prior Provisions

A prior section 505 of Pub. L. 93–344, title V, July 12, 1974, 88 Stat. 322, repealed sections 66 and 81 of this title.

Amendments

1997—Subsec. (c). Pub. L. 105–33, § 10117(c)(2), substituted “supersede” for “supercede”.

Pub. L. 105–33, § 10117(c)(1), inserted before period at end of second sentence “, except that the rate of interest charged by the Secretary on lending to financing accounts (including amounts treated as lending to financing accounts by the Federal Financing Bank (hereinafter in this subsection referred to as the ‘Bank’) pursuant to section 655 (b) of this title) and the rate of interest paid to financing accounts on uninvested balances in financing accounts shall be the same as the rate determined pursuant to section 661a (5)(E) of this title. For guaranteed loans financed by the Bank and treated as direct loans by a Federal agency pursuant to section 655 (b) of this title, any fee or interest surcharge (the amount by which the interest rate charged exceeds the rate determined pursuant to section 661a (5)(E) of this

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title) that the Bank charges to a private borrower pursuant to section 2285 (c) of title 12 shall be considered a cash flow to the Government for the purposes of determining the cost of the direct loan pursuant to section 661a (5) of this title. All such amounts shall be credited to the appropriate financing account. The Bank is authorized to require reimbursement from a Federal agency to cover the administrative expenses of the Bank that are attributable to the direct loans financed for that agency. All such payments by an agency shall be considered administrative expenses subject to section 661c (g) of this title. This subsection shall apply to transactions related to direct loan obligations or loan guarantee commitments made on or after October 1, 1991”.

Subsec. (d). Pub. L. 105–33, § 10117(c)(3), amended heading and text of subsec. (d) generally. Prior to amendment, text read as follows: “If funds in liquidating accounts are insufficient to satisfy the obligations and commitments of said accounts, there is hereby provided permanent, indefinite authority to make any payments required to be made on such obligations and commitments.”