

TITLE 7 - AGRICULTURE
CHAPTER 31 - RURAL ELECTRIFICATION AND TELEPHONE SERVICE
SUBCHAPTER I - RURAL ELECTRIFICATION

§ 918. General prohibitions

(a) No consideration of borrower's level of general funds

The Secretary and the Governor of the telephone bank shall not deny or reduce any loan or loan advance under this chapter based on a borrower's level of general funds.

(b) Loan origination fees

The Secretary and the Governor of the telephone bank may not charge any fee or charge not expressly provided in this chapter in connection with any loan made or guaranteed under this chapter.

(c) Consultants

(1) In general

To facilitate timely action on applications by borrowers for financial assistance under this chapter and for approvals required of the Rural Electrification Administration pursuant to the terms of outstanding loan or security instruments or otherwise, the Secretary may use consultants funded by the borrower, paid for out of the general funds of the borrower, for financial, legal, engineering, and other technical advice and services in connection with the review of the application by the Rural Electrification Administration.

(2) Conflicts of interest

The Secretary shall establish procedures for the selection and the provision of technical services by consultants to ensure that the consultants have no financial or other conflicts of interest in the outcome of the application of the borrower.

(3) Payment of costs

The Secretary may not, without the consent of the borrower, require, as a condition of processing an application for approval, that the borrower agree to pay the costs, fees, and expenses of consultants hired to provide technical or advisory services to the Secretary.

(4) Contracts, grants, and agreements

The Secretary may enter into such contracts, grants, or cooperative agreements as are necessary to carry out this section.

(5) Use of consultants

Nothing in this subsection shall limit the authority of the Secretary to retain the services of consultants from funds made available to the Secretary or otherwise.

(May 20, 1936, ch. 432, title I, § 18, as added Pub. L. 101–624, title XXIII, § 2353, Nov. 28, 1990, 104 Stat. 4039; amended Pub. L. 103–129, § 2(c)(4), Nov. 1, 1993, 107 Stat. 1364; Pub. L. 103–354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

Amendments

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

1993—Pub. L. 103–129 designated existing provisions as subsec. (a), inserted heading, and added subsecs. (b) and (c).