prises financed, or expected to be financed, by such companies after the effective date of the New Markets Venture Capital Program Act of 2000.

(B) Use of funds

The proceeds of a grant made under this paragraph may be used by the company receiving such grant only to provide operational assistance in connection with an equity investment (made with capital raised after the effective date of the New Markets Venture Capital Program Act of 2000) in a business located in a low-income geographic area.

(C) Submission of plans

A specialized small business investment company shall be eligible for a grant under this section only if the company submits to the Administrator, in such form and manner as the Administrator may require, a plan for use of the grant.

(4) Grant amount

(A) New Markets Venture Capital companies

The amount of a grant made under this subsection to a New Markets Venture Capital company shall be equal to the resources (in cash or in kind) raised by the company under section 689c(d)(2) of this title.

(B) Other entities

The amount of a grant made under this subsection to any entity other than a New Markets Venture Capital company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to New Market Venture Capital companies set forth in section 689c(d)(2) of this title.

(5) Pro rata reductions

If the amount made available to carry out this section is insufficient for the Administrator to provide grants in the amounts provided for in paragraph (4), the Administrator shall make pro rata reductions in the amounts otherwise payable to each company and entity under such paragraph.

(b) Supplemental grants

(1) In general

The Administrator may make supplemental grants to New Markets Venture Capital companies and to other entities, as authorized by this part under such terms as the Administrator may require, to provide additional operational assistance to smaller enterprises financed, or expected to be financed, by the companies.

(2) Matching requirement

The Administrator may require, as a condition of any supplemental grant made under this subsection, that the company or entity receiving the grant provide from resources (in a[1] cash or in kind), other then[2] those provided by the Administrator, a matching contribution equal to the amount of the supplemental grant.

(c) Limitation

None of the assistance made available under this section may be used for any overhead or general and administrative expense of a New Markets Venture Capital company or a specialized small business investment company.

(Pub. L. 85–699, title III, § 358, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–660.)

REFERENCES IN TEXT

The effective date of the New Markets Venture Capital Program Act of 2000, referred to in subsec. (a)(3)(A), (B), probably means the date of enactment of section 1 of H.R. 5663, as enacted by Pub. L. 106–554, § 1(a)(8), which was approved Dec. 21, 2000.

§ 689h. Bank participation

(a) In general

Except as provided in subsection (b) of this section, any national bank, any member bank of the Federal Reserve System, and (to the extent permitted under applicable State law) any insured bank that is not a member of such system, may invest in any New Markets Venture Capital company, or in any entity established to invest solely in New Markets Venture Capital companies.

(b) Limitation

No bank described in subsection (a) of this section may make investments described in such subsection that are greater than 5 percent of the capital and surplus of the bank.

(Pub. L. 85–699, title III, § 359, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–661.)

§ 689i. Federal Financing Bank

Section 687k of this title shall not apply to any debenture issued by a New Markets Venture Capital company under this part.

(Pub. L. 85–699, title III, § 360, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–661.)

§ 689j. Reporting requirement

Each New Markets Venture Capital company that participates in the program established under this part shall provide to the Administrator such information as the Administrator may require, including—

(1) information related to the measurement criteria that the company proposed in its program application; and

(2) in each case in which the company under this part makes an investment in, or a loan or grant to, a business that is not located in a low-income geographic area, a report on the number and percentage of employees of the business who reside in such areas.

(Pub. L. 85–699, title III, § 361, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–661.)

[1] So in original. The article probably should not appear.

[2] So in original. Probably should be ''than''.

§ 689k. Examinations

(a) In general

Each New Markets Venture Capital company that participates in the program established under this part shall be subject to examinations made at the direction of the Investment Division of the Small Business Administration in accordance with this section.

(b) Assistance of private sector entities

Examinations under this section may be conducted with the assistance of a private sector entity that has both the qualifications and the expertise necessary to conduct such examinations.

(c) Costs

(1)[1] Assessment

(A) In general

The Administrator may assess the cost of examinations under this section, including compensation of the examiners, against the company examined.

(B) Payment

Any company against which the Administrator assesses costs under this paragraph shall pay such costs.

(d) Deposit of funds

Funds collected under this section shall be deposited in the account for salaries and expenses of the Small Business Administration.

(Pub. L. 85–699, title III, § 362, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–662.)

§ 689*l*. Injunctions and other orders

(a) In general

Whenever, in the judgment of the Administrator, a New Markets Venture Capital company or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this chapter, or of any rule or regulation under this chapter, or of any order issued under this chapter, the Administrator may make application to the proper district court of the United States or a United States court of any place subject to the jurisdiction of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, rule, regulation, or order, and such courts shall have jurisdiction of such actions and, upon a showing by the Administrator that such New Markets Venture Capital company or other person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(b) Jurisdiction

In any proceeding under subsection (a) of this section, the court as a court of equity may, to such extent as it deems necessary, take exclusive jurisdiction of the New Market Venture Capital company and the assets thereof, wherever located, and the court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

(c) Administrator as trustee or receiver

(1) Authority

The Administrator may act as trustee or receiver of a New Markets Venture Capital company.

(2) Appointment

Upon request of the Administrator, the court may appoint the Administrator to act as a trustee or receiver of a New Markets Venture Capital company unless the court deems such appointment inequitable or otherwise inappropriate by reason of the special circumstances involved.

(Pub. L. 85–699, title III, § 363, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–662.)

REFERENCES IN TEXT

For definition of ''this chapter'', referred to in subsec. (a), see References in Text note set out under section 661 of this title.

§ 689m. Additional penalties for noncompliance

(a) In general

With respect to any New Markets Venture Capital company that violates or fails to comply with any of the provisions of this chapter, of any regulation issued under this chapter, or of any participation agreement entered into under this chapter, the Administrator may in accordance with this section—

(1) void the participation agreement between the Administrator and the company; and

(2) cause the company to forfeit all of the rights and privileges derived by the company from this chapter.

(b) Adjudication of noncompliance

(1) In general

Before the Administrator may cause a New Markets Venture Capital company to forfeit rights or privileges under subsection (a) of this section, a court of the United States of competent jurisdiction must find that the company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the company is located.

(2) Parties authorized to file causes of action

Each cause of action brought by the United States under this subsection shall be brought by the Administrator or by the Attorney General.

(Pub. L. 85–699, title III, § 364, as added Pub. L. 106–554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A–663.)

REFERENCES IN TEXT

For definition of ''this chapter'', referred to in subsec. (a), see References in Text note set out under section 661 of this title.

[1] So in original. No par. (2) has been enacted.