ments and the escrow account to make a scheduled payment of principal and interest on the bonds.

(5) Upon receipt by the Secretary or the Secretary's designee of the certification described in paragraph (4) of this subsection, the designated bonding authority may draw a funding under the letter of credit in an amount equal to—

(A) the amount required to make the next scheduled payment of principal and interest on the bonds, less

(B) the amount available to the designated bonding authority from loan repayments and the escrow account.

(6) All funds provided under the letter of credit shall be paid to the designated bonding authority within 2 business days following receipt of the certification described in paragraph (4).

(d) Full faith and credit provisions

Subject to subsection (c)(1) of this section the full faith and credit of the United States is pledged to the payment of all funds which may be required to be paid under the provisions of this section.

(e) Sale of qualified bonds

Notwithstanding any other provision of law, a qualified bond guaranteed under this part may be sold to any party that offers terms that the Secretary determines are in the best interest of the eligible institution.

(Pub. L. 89–329, title III, § 343, formerly title VII, § 723, as added Pub. L. 102–325, title VII, § 704, July 23, 1992, 106 Stat. 743; amended Pub. L. 103–382, title III, § 360C, Oct. 20, 1994, 108 Stat. 3972; renumbered title III, § 343, and amended Pub. L. 105–244, title III, §§ 301(a)(3), (4), (c)(5), 306(b), Oct. 7, 1998, 112 Stat. 1636, 1637, 1646; Pub. L. 110–315, title III, §§ 314(b), 320(2), Aug. 14, 2008, 122 Stat. 3181, 3187.)

REFERENCES IN TEXT

Section 1066e of this title, referred to in subsec. (b), was repealed by Pub. L. 105–244, title III, § 306(d), Oct. 7, 1998, 112 Stat. 1647.

CODIFICATION

Section was formerly classified to section 1132c–2 of this title prior to renumbering by Pub. L. 105–244.

PRIOR PROVISIONS

A prior section 343 of Pub. L. 89–329 was classified to section 1068 of this title prior to the general amendment of this subchapter by Pub. L. 99–498.

AMENDMENTS

2008—Subsec. (b)(8)(B)(ii). Pub. L. 110–315, § 314(b)(1)(B), inserted ''within 120 days'' after ''loan proceeds''.

Pub. L. 110–315, § 314(b)(1)(A), which directed the substitution of ''5'' for ''10'', could not be executed because ''10'' did not appear subsequent to amendment by Pub. L. 105–244, § 306(b)(1). See 1998 Amendment note below.

Subsec. (b)(12). Pub. L. 110–315, § 314(b)(2)–(4), added par. (12).

Subsec. (e). Pub. L. 110–315, § 320(2), inserted heading.

1998—Subsec. (a). Pub. L. 105–244, § 301(c)(5)(A), substituted ''section 1066c'' for ''section 1132c–3''.

Subsec. (b). Pub. L. 105–244, § 301(c)(5)(B)(i), substituted ''sections 1066d(1) and 1066e'' for ''sections 1132c–4(1) and 1132c–5'' in introductory provisions.

Subsec. (b)(8). Pub. L. 105–244, § 306(b)(1), substituted ''5 percent'' for ''10 percent'' wherever appearing.

Subsec. (b)(10). Pub. L. 105–244, § 301(c)(5)(B)(ii), substituted ''section 1066c'' for ''section 1132c–3''.

Subsec. (d). Pub. L. 105–244, § 301(c)(5)(B)(iii), made technical amendment to reference in original act which appears in text as reference to subsection (c)(1) of this section.

Subsec. (e). Pub. L. 105–244, § 306(b)(2), added subsec. (e).

1994—Subsec. (b)(8)(A). Pub. L. 103–382, § 360C(1)(A), inserted before semicolon '', with each eligible institution required to maintain in the escrow account an amount equal to 10 percent of the outstanding principal of all loans made to such institution under this part''.

Subsec. (b)(8)(B)(ii). Pub. L. 103–382, § 360C(1)(B), amended cl. (ii) generally. Prior to amendment, cl. (ii) read as follows: ''when all bonds under this part are retired or canceled, shall be divided among the eligible institutions making deposits into such account on the basis of the amount of each such institution's deposit;''.

Subsec. (b)(11). Pub. L. 103–382, § 360C(2), substituted ''conditions'' for ''regulations''.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105–244 effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105–244, see section 3 of Pub. L. 105–244, set out as a note under section 1001 of this title.

§ 1066c. Limitations on Federal insurance for bonds issued by designated bonding authority

(a) Limit on amount

At no time shall the aggregate principal amount of outstanding bonds insured under this part together with any accrued unpaid interest thereon exceed $1,100,000,000, of which—

(1) not more than $733,333,333 shall be used for loans to eligible institutions that are private historically Black colleges and universities; and

(2) not more than $366,666,667 shall be used for loans to eligible institutions which are historically Black public colleges and universities.

For purposes of paragraphs (1) and (2), Lincoln University of Pennsylvania is an historically Black public institution. No institution of higher education that has received assistance under section 123 of this title shall be eligible to receive assistance under this part.

(b) Limitation on credit authority

The authority of the Secretary to issue letters of credit and insurance under this part is effective only to the extent provided in advance by appropriations Acts.

(c) Religious activity prohibition

No loan may be made under this part for any educational program, activity or service related to sectarian instruction or religious worship or provided by a school or department of divinity or to an institution in which a substantial portion of its functions is subsumed in a religious mission.

(d) Discrimination prohibition

No loan may be made to an institution under this part if the institution discriminates on account of race, color, religion, national origin, sex (to the extent provided in title IX of the

Education Amendments of 1972 [20 U.S.C. 1681 et seq.]), or disabling condition; except that the prohibition with respect to religion shall not apply to an institution which is controlled by or which is closely identified with the tenets of a particular religious organization if the application of this section would not be consistent with the religious tenets of such organization.

(Pub. L. 89–329, title III, § 344, formerly title VII, § 724, as added Pub. L. 102–325, title VII, § 704, July 23, 1992, 106 Stat. 745; renumbered title III, § 344, Pub. L. 105–244, title III, § 301(a)(3), (4), Oct. 7, 1998, 112 Stat. 1636; Pub. L. 110–315, title III, § 314(c), Aug. 14, 2008, 122 Stat. 3181.)

REFERENCES IN TEXT

The Education Amendments of 1972, referred to in subsec. (d), is Pub. L. 92–318, June 23, 1972, 86 Stat. 235, as amended. Title IX of the Act, known as the Patsy Takemoto Mink Equal Opportunity in Education Act, is classified principally to chapter 38 (§ 1681 et seq.) of this title. For complete classification of title IX to the Code, see Short Title note set out under section 1681 of this title and Tables.

CODIFICATION

Section was formerly classified to section 1132c–3 of this title prior to renumbering by Pub. L. 105–244.

PRIOR PROVISIONS

A prior section 344 of Pub. L. 89–329 was classified to section 1069 of this title prior to the general amendment of this subchapter by Pub. L. 99–498.

AMENDMENTS

2008—Subsec. (a). Pub. L. 110–315, § 314(c)(1), substituted ''$1,100,000,000'' for ''$375,000,000'' in introductory provisions.

Subsec. (a)(1). Pub. L. 110–315, § 314(c)(2), substituted ''$733,333,333'' for ''$250,000,000''.

Subsec. (a)(2). Pub. L. 110–315, § 314(c)(3), substituted ''$366,666,667'' for ''$125,000,000''.

§ 1066d. Authority of Secretary

In the performance of, and with respect to, the functions vested in the Secretary by this part, the Secretary—

(1) shall, within 120 days of August 14, 2008, publish in the Federal Register a notice and request for proposals for any private for-profit organization or entity wishing to serve as the designated bonding authority under this part, which notice shall—

(A) specify the time and manner for submission of proposals; and

(B) specify any information, qualifications, criteria, or standards the Secretary determines to be necessary to evaluate the financial capacity and administrative capability of any applicant to carry out the responsibilities of the designated bonding authority under this part;

(2) shall ensure that—

(A) the selection process for the designated bonding authority is conducted on a competitive basis; and

(B) the evaluation and selection process is transparent;

(3) shall—

(A) review the performance of the designated bonding authority after the third year of the insurance agreement; and

(B) following the review described in subparagraph (A), implement a revised competitive selection process, if determined necessary by the Secretary in consultation with the Advisory Board established pursuant to section 1066f of this title;

(4) shall require that the first loans for capital projects authorized under section 1066b of this title be made no later than March 31, 1994;

(5) may sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this part without regard to the amount in controversy, and any action instituted under this part without regard to the amount in controversy, and any action instituted under this section by or against the Secretary shall survive notwithstanding any change in the person occupying the office of the Secretary or any vacancy in such office;

(6)(A) may foreclose on any property and bid for and purchase at any foreclosure, or any other sale, any property in connection with which the Secretary has been assigned a loan pursuant to this part; and

(B) in the event of such an acquisition, notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property, except that—

(i) such action shall not preclude any other action by the Secretary to recover any deficiency in the amount of a loan assigned to the Secretary; and

(ii) any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(7) may sell, exchange, or lease real or personal property and securities or obligations;

(8) may include in any contract such other covenants, conditions, or provisions necessary to ensure that the purposes of this part will be achieved;

(9) may, directly or by grant or contract, provide technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part; and

(10) not later than 120 days after August 14, 2008, shall submit to the authorizing committees a report on the progress of the Department in implementing the recommendations made by the Government Accountability Office in October 2006 for improving the Historically Black College and Universities Capital Financing Program.

(Pub. L. 89–329, title III, § 345, formerly title VII, § 725, as added Pub. L. 102–325, title VII, § 704, July 23, 1992, 106 Stat. 745; amended Pub. L. 103–208, § 2(j)(16), Dec. 20, 1993, 107 Stat. 2481; renumbered title III, § 345, and amended Pub. L. 105–244, title III, §§ 301(a)(3), (4), (c)(6), 306(c), Oct. 7, 1998, 112 Stat. 1636, 1637, 1647; Pub. L. 110–315, title III, § 314(d), Aug. 14, 2008, 122 Stat. 3181.)