similar terms and conditions, the interest on which is not so included in gross income for purposes of chapter 1 of title 26, and in accordance with such terms and conditions as the Secretary of Energy shall require in consultation with the Secretary of the Treasury.

(h) Pledge of full faith and credit of United States to guaranties

The full faith and credit of the United States is pledged to the payment of all guaranties issued under this subchapter with respect to principal and interest.

(i) Fees for guaranties; amount, collection, etc.

The Secretary of Energy shall charge and collect fees for guaranties in amounts sufficient in his judgment to cover applicable administrative costs and probable losses on guaranteed obligations, but in any event not to exceed 1 per centum per annum of the outstanding indebtedness covered by each guaranty. Fees collected under this subsection shall be deposited in the fund established by this subchapter.

(j) Minimization of capital market impact of guaranties

The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of any guaranty exceeding $25,000,000 will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect commercial securities activities.

(Pub. L. 93–410, title II, § 201, Sept. 3, 1974, 88 Stat. 1086; Pub. L. 95–91, title III, § 301(a), title VII, §§ 703, 707, Aug. 4, 1977, 91 Stat. 577, 606, 607; Pub. L. 95–238, title V, §§ 505–509, Feb. 25, 1978, 92 Stat. 86, 87; Pub. L. 96–294, title VI, § 641(1), June 30, 1980, 94 Stat. 768; Pub. L. 99–514, § 2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 103–437, § 11(b), Nov. 2, 1994, 108 Stat. 4589.)

AMENDMENTS

1994—Subsec. (e). Pub. L. 103–437 substituted ''Science, Space, and Technology'' for ''Science and Technology''.

1986—Subsec. (g). Pub. L. 99–514 substituted ''Internal Revenue Code of 1986'' for ''Internal Revenue Code of 1954'', which for purposes of codification was translated as ''title 26'' thus requiring no change in text.

1980—Subsec. (c). Pub. L. 96–294 inserted provisions relating to guarantees for loans to an electric, housing, or other cooperative, or to a municipality (as defined in section 796(7) of title 16).

1978—Subsec. (b)(4). Pub. L. 95–238, § 506, substituted ''using'' for ''from''.

Subsec. (b)(5). Pub. L. 95–238, § 505, added par. (5).

Subsec. (c). Pub. L. 95–238, § 507, inserted provisions relating to guarantees for the purposes specified in subsec. (b)(5) of this section.

Subsec. (e). Pub. L. 95–238, § 508, inserted proviso relating to guaranty under subsec. (b)(5) of this section, and provisions relating to exceptions to limitations on amounts guaranteed and procedures applicable to implementation of greater amounts, and substituted ''$100,000,000'' for ''$25,000,000'' and ''$200,000,000'' for ''$50,000,000''.

Subsecs. (g) to (j). Pub. L. 95–238, § 509, added subsecs. (g) to (j).

CHANGE OF NAME

Committee on Science, Space, and Technology of House of Representatives treated as referring to Committee on Science of House of Representatives by section 1(a) of Pub. L. 104–14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Science of House of Representatives changed to Committee on Science and Technology of House of Representatives by House Resolution No. 6, One Hundred Tenth Congress, Jan. 5, 2007.

TRANSFER OF FUNCTIONS

''Secretary of Energy'' substituted for ''Administrator'' (meaning Administrator of Energy Research and Development Administration, see section 501(2) of Pub. L. 95–238, title V, Feb. 25, 1978, 92 Stat. 86) in subsecs. (c), (e), (g), and (i), pursuant to sections 301(a), 703, and 707 of Pub. L. 95–91, which are classified to sections 7151(a), 7293, and 7297 of Title 42, The Public Health and Welfare, and which terminated Energy Research and Development Administration and transferred its functions and functions of Administrator thereof (with certain exceptions) to Secretary of Energy.

§ 1142. Payment of guaranteed obligation by Secretary of Energy

(a) Default by borrower and demand by holder of obligation of unpaid amount; amount of payment by Secretary of Energy; defenses available; forebearance by holder of obligation

If there is a default by the borrower, as defined in regulations promulgated by the Secretary of Energy and set forth in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Secretary of Energy. Within such period as may be specified in the guarantee or related agreements, the Secretary of Energy shall pay to the holder of the obligation the unpaid interest on, and unpaid principal of the guaranteed obligation as to which the borrower has defaulted, unless the Secretary of Energy finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forebearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Secretary of Energy.

(b) Rights and authorities of Secretary of Energy upon payment

If the Secretary of Energy makes a payment under subsection (a) of this subsection,[1] the Secretary of Energy shall be subrogated to the rights of the recipient of such payment as specified in the guarantee or related agreements including, where appropriate, the authority (notwithstanding any other provision of law) to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or to permit the borrower, pursuant to an agreement with the Secretary of Energy, to continue to pursue the purposes of the project if the Secretary of Energy determines this to be in the public interest. The rights of the Secretary of Energy with respect to any property acquired pursuant to such guarantee or related agreements, shall be superior to the rights of any other person with respect to such property.

[1] So in original. Probably should be ''this section,''.

(c) Rights and authorities of Attorney General upon default on any guarantee

In the event of a default on any guarantee under this subchapter, the Secretary of Energy shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under subsection (a) of this section, including any payment of principal and interest under subsection (d) of this section, from such assets of the defaulting borrower as are associated with the project, or from any other security included in the terms of the guarantee.

(d) Contracts to pay, and payment, from Geothermal Resources Development Fund of principal and interest of unpaid balance of obligation; preconditions

With respect to any obligation guaranteed under this subchapter, the Secretary of Energy is authorized to enter into a contract to pay, and to pay, holders of the obligation, for and on behalf of the borrower, from the Geothermal Resources Development Fund, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Secretary of Energy finds that—

(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such project; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

(2) the amount of such payment which the Secretary of Energy is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

(3) the borrower agrees to reimburse the Secretary of Energy for such payment on terms and conditions, including interest, which are satisfactory to the Secretary of Energy.

(Pub. L. 93–410, title II, § 202, Sept. 3, 1974, 88 Stat. 1087; Pub. L. 95–91, title III, § 301(a), title VII, §§ 703, 707, Aug. 4, 1977, 91 Stat. 577, 606, 607; Pub. L. 95–238, title V, § 510, Feb. 25, 1978, 92 Stat. 88.)

AMENDMENTS

1978—Subsec. (a). Pub. L. 95–238 substituted provisions relating to default by the borrower and payment by the Administrator of the guaranteed amount remaining unpaid upon demand by the holder of the obligation, for provisions relating to contracts to pay, and payment, by the head of the designated agency to the lender on behalf of the borrower of interest charges on the unpaid balance of any guaranteed loan where the borrower is unable to meet the interest charges and the amount payable is the same as the amount the borrower would be required to pay.

Subsec. (b). Pub. L. 95–238 substituted provisions relating to rights and authorities of the Administrator subsequent to making a payment under subsec. (a) of this section, for provisions relating to rights and authorities of the head of the designated agency and the Attorney General upon payment of the guaranty subsequent to default on a guaranteed loan.

Subsecs. (c), (d). Pub. L. 95–238 added subsecs. (c) and (d).

TRANSFER OF FUNCTIONS

"Secretary of Energy" substituted in text for "Administrator" (meaning Administrator of Energy Research and Development Administration, see section 501(2) of Pub. L. 95–238, title V, Feb. 25, 1978, 92 Stat. 86), pursuant to sections 301(a), 703, and 707 of Pub. L. 95–91, which are classified to sections 7151(a), 7293, and 7297 of Title 42, The Public Health and Welfare, and which terminated Energy Research and Development Administration and transferred its functions and functions of Administrator thereof (with certain exceptions) to Secretary of Energy.

§ 1143. Period of guaranties and interest assistance

No loan guaranties shall be made, or interest assistance contract entered into, pursuant to this subchapter, after the expiration of fiscal year 1993.

(Pub. L. 93–410, title II, § 203, Sept. 3, 1974, 88 Stat. 1087; Pub. L. 96–294, title VI, § 641(2), June 30, 1980, 94 Stat. 769; Pub. L. 102–558, title III, § 301, Oct. 28, 1992, 106 Stat. 4224.)

AMENDMENTS

1992—Pub. L. 102–558 substituted "1993" for "1990".

1980—Pub. L. 96–294 substituted reference to fiscal year 1990, for reference to the ten-calendar-year period following Sept. 3, 1974.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102–558 deemed to have become effective Mar. 1, 1992, see section 304 of Pub. L. 102–558, set out as a note under section 2062 of the Appendix to Title 50, War and National Defense.

§ 1144. Geothermal Resources Development Fund

(a) Establishment; purposes for which Fund moneys may be expended

There is established in the Treasury of the United States a Geothermal Resources Development Fund, which shall be available to the head of the designated agency for carrying out the loan guaranty and interest assistance program authorized by this subchapter, including the payment of administrative expenses incurred in connection therewith. Moneys in the fund not needed for current operations may, with the approval of the Secretary of the Treasury, be invested in bonds or other obligations of, or guaranteed by, the United States.

(b) Deposits into the Fund

There shall be paid into the fund the amounts appropriated pursuant to section 1164(c) of this title and such amounts as may be returned to the United States pursuant to section 1142(b) of this title, and the amounts in the fund shall remain available until expended, except that after the expiration of the ten-year period established by section 1143 of this title, such amounts in the fund which are not required to secure outstanding guaranty obligations shall be paid into the general fund of the Treasury.

(c) Borrowing authority of Secretary of Energy

If at any time the moneys available in the fund are insufficient to enable the Secretary of Energy to discharge his responsibilities under this subchapter, he shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. This borrowing authority shall be