

ferred to the United States under the provisions of sections 421a to 421h of this title: *Provided*, That any reconveyance shall be upon the condition that the repayment contract of the borrower be amended to include such provisions as the Secretary shall deem necessary or proper to provide assurance of and security for prompt repayment of the loan. The head of any department or agency of the Government within whose administrative jurisdiction are lands owned by the United States the use of which is reasonably necessary for the construction, operation, and maintenance of distribution and drainage works under sections 421a to 421h of this title may grant to a borrower or prospective borrower under sections 421a to 421h of this title revocable permission for the use thereof in like manner as under sections 79 and 524 of title 16, sections 323 to 328 of title 25, section 8124 of title 38, or sections 931a to 931d, 946 to 950, 956, and 959 of this title, or any other similar Act which is applicable to the lands involved: *Provided*, That no such permission shall be granted in the case of lands being administered for national park, national monument, or wildlife purposes.

(July 4, 1955, ch. 271, § 3, 69 Stat. 245; May 14, 1956, ch. 268, 70 Stat. 155; Pub. L. 92-487, Oct. 13, 1972, 86 Stat. 804; Pub. L. 102-40, title IV, § 402(d)(2), May 7, 1991, 105 Stat. 239.)

CODIFICATION

“Section 8124 of title 38” substituted in text (see 1991 Amendment note below) for “section 5024 of title 38”, which previously had been substituted for “section 5014 of title 38” as the probable intent of Congress in view of the renumbering of section 5014 of title 38 as section 5024 by Pub. L. 96-22, title III, § 301(b)(1), June 13, 1979, 93 Stat. 61. Previously, “section 5014 of title 38” had been substituted for “section 11i of title 38” on authority of Pub. L. 85-857, § 5(a), Sept. 2, 1958, 72 Stat. 1281, the first section of which enacted Title 38, Veterans' Benefits.

AMENDMENTS

1991—Pub. L. 102-40 substituted “section 8124 of title 38” for “section 5024 of title 38”. See Codification note above.

1972—Pub. L. 92-487 inserted provision subjecting drainage systems to the requirements of this section, substituted provisions authorizing the Secretary to reconvey to borrowers all land or interests in land and distribution works transferred to the United States under the provisions of sections 421a to 421h of this title, with the proviso relating to the amendment of the repayment contract, for provisions requiring borrowers, prior to the consummation of any loan, to transfer to the United States any lands or interests in lands presently held or acquired in the future which the Secretary finds necessary for the construction, operation, or maintenance of distribution systems, with title to all such lands, etc., subject to retransfer to the borrower by the Secretary upon repayment of the loan, to remain in the United States, and struck out provisions which restricted applicability of provisions to provisions relating to Federal reclamation laws.

1956—Act May 14, 1956, provided that the Secretary, as conditions to loan, require borrower to account for disbursements of borrowed funds and return for application toward amortization of the loan all funds not expended in the construction of the distribution system, required, prior to the consummation of any loan, the transfer to the United States of titles to lands or interests in lands held by the borrower, and that titles to such lands, interests, and distribution works remain in United States until repayment, and provided for issu-

ance of revocable permits for the use of lands owned by United States, in lieu of the formerly authorized actual conveyance to the districts of the rights-of-way.

§ 421d. Effect on existing laws

Except as otherwise provided in sections 421a to 421h of this title, the provisions of the Federal reclamation laws, and Acts amendatory thereto, are continued in full force and effect.

(July 4, 1955, ch. 271, § 4, 69 Stat. 245; Pub. L. 92-487, Oct. 13, 1972, 86 Stat. 805.)

AMENDMENTS

1972—Pub. L. 92-487 reenacted section without change.

§ 421e. Municipal and industrial water supply delivery and distribution; allocation of loan funds; loan repayment contract requirements; rate of interest

Unless otherwise provided in the Act authorizing construction of the project, the delivery and distribution of municipal and industrial water supplies shall be deemed to be an authorized project purpose under sections 421a to 421h of this title, and where appropriate, an allocation of loan funds acceptable to the Secretary shall be made between irrigation and municipal and industrial purposes. Loan repayment contracts shall require that the borrower pay interest on that portion of the unamortized loan obligation (including interest during construction) allocated in each year to municipal and industrial purposes at the rate provided in the Act authorizing the project, or absent such an authorized rate, at a rate determined by the Secretary of the Treasury as of the beginning of the fiscal year in which the contract, or contract amendment entered into pursuant to section 421f of this title, is executed, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such average rate to the nearest one-eighth of 1 per centum.

(July 4, 1955, ch. 271, § 5, as added Pub. L. 92-487, Oct. 3, 1972, 86 Stat. 805.)

§ 421f. Existing loan contracts; negotiation by Secretary of amendments

The Secretary is hereby authorized to negotiate amendments to existing water service and irrigation distribution system loan contracts to conform said contracts to the provisions of sections 421a to 421h of this title.

(July 4, 1955, ch. 271, § 6, as added Pub. L. 92-487, Oct. 13, 1972, 86 Stat. 805.)

§ 421g. Existing rights unaffected

Nothing in sections 421a to 421h of this title shall be construed to repeal or limit the procedural and substantive requirements of sections 372 and 383 of this title.

(July 4, 1955, ch. 271, § 7, as added Pub. L. 92-487, Oct. 13, 1972, 86 Stat. 806.)