
7 U.S. Code § 940c-1

Guarantees for bonds and notes issued for electrification or telephone purposes

(a) In general

(1) Guarantees

Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis, if the proceeds of the bonds or notes are used to make utility infrastructure loans, or refinance bonds or notes issued for those purposes, to a borrower that has at any time received, or is eligible to receive, a loan under this chapter.

(2) Terms

A bond or note guaranteed under this section shall, by agreement between the Secretary and the borrower—

(A) be for a term of 30 years (or another term of years that the Secretary determines is appropriate); and

(B) be repaid by the borrower—

(i) in periodic installments of principal and interest;

(ii) in periodic installments of interest and, at the end of the term of the bond or note, as applicable, by the repayment of the outstanding principal; or

(iii) through a combination of the methods described in clauses (i) and (ii).

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