
7 U.S. Code § 940c

Cushion of credit payments program

(a) Establishment

(1) In general

(A) Development and promotion of program

The Secretary shall develop and promote a program to encourage borrowers to voluntarily make deposits into cushion of credit accounts established within the Rural Electrification and Telephone Revolving Fund.

(B) Termination

Effective on December 20, 2018, no deposits may be made under subparagraph (A).

(2) Interest

(A) In general

Amounts in each cushion of credit account shall accrue interest to the borrower at a rate of 5 percent per annum.

(B) Reduction

Notwithstanding subparagraph (A), amounts in each cushion of credit account shall accrue interest to the borrower at a rate equal to—

- (i) 4 percent per annum in fiscal year 2021; and
- (ii) the then applicable 1-year Treasury rate thereafter.

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