
§ 505 **SEC. 505.⁸²⁶ AUTHORIZATIONS.**

- § 505(a) **(a) AUTHORIZATION OF APPROPRIATIONS FOR COSTS.⁸²⁷**
— There are authorized to be appropriated to each Federal agency authorized to make direct loan obligations⁸²⁸ or loan guarantee commitments,⁸²⁹ such sums as may be necessary to pay the cost associated with such direct loan obligations or loan guarantee commitments.
- § 505(b) **(b) AUTHORIZATION FOR FINANCING ACCOUNTS.⁸³⁰** — In order to implement the accounting required by this title, the President is authorized to establish such non-budgetary accounts as may be appropriate.
- § 505(c) **(c) TREASURY TRANSACTIONS WITH THE FINANCING ACCOUNTS.⁸³¹** — The Secretary of the Treasury shall borrow from, receive from, lend to, or pay to the financing accounts such amounts as may be appropriate. The Secretary of the Treasury may prescribe forms and denominations, maturities, and terms and conditions for the transactions described above. The authorities described above shall not be construed to supercede or override the authority of the head of a Federal agency to administer and operate a direct loan⁸³² or loan

⁸²⁶ Section 505 is codified at 2 U.S.C. § 661d (Supp. IV 1992). For legislative history of section 505, see *infra* note 839.

⁸²⁷ Section 502(5) defines "cost." See *supra* p. 281.

⁸²⁸ Section 502(2) defines "direct loan obligation." See *supra* p. 280.

⁸²⁹ Section 502(4) defines "loan guarantee commitment." See *supra* p. 281.

⁸³⁰ Section 502(7) defines "financing account." See *supra* p. 283.

⁸³¹ Section 502(7) defines "financing account." See *supra* p. 283.

⁸³² Section 502(1) defines "direct loan." See *supra* p. 280.

guarantee⁸³³ program. All of the transactions provided in this subsection shall be subject to the provisions of subchapter II of chapter 15 of title 31, United States Code. Cash balances of the financing accounts in excess of current requirements shall be maintained in a form of uninvested funds and the Secretary of the Treasury shall pay interest on these funds.

§ 505(d) (d) **AUTHORIZATION FOR LIQUIDATING ACCOUNTS.**⁸³⁴ — If funds in liquidating accounts are insufficient to satisfy the obligations and commitments of said accounts, there is hereby provided permanent, indefinite authority to make any payments required to be made on such obligations and commitments.

505(e) (e) **AUTHORIZATION OF APPROPRIATIONS FOR IMPLEMENTATION EXPENSES.** — There are authorized to be appropriated to existing accounts such sums as may be necessary for salaries and expenses to carry out the responsibilities under this title.

505(f) (f) **REINSURANCE.** — Nothing in this title shall be construed as authorizing or requiring the purchase of insurance or reinsurance on a direct loan⁸³⁵ or loan guarantee⁸³⁶ from private insurers. If any such reinsurance for a direct loan or loan guarantee is authorized, the cost⁸³⁷ of such insurance and any recoveries to the Government shall be included in the calculation of the cost.

505(g) (g) **ELIGIBILITY AND ASSISTANCE.** — Nothing in this title shall be construed to change the authority or the responsibility

⁸³³ Section 502(3) defines "loan guarantee." See *supra* p. 280.

⁸³⁴ Section 502(8) defines "liquidating account." See *supra* p. 283.

⁸³⁵ Section 502(1) defines "direct loan." See *supra* p. 280.

⁸³⁶ Section 502(3) defines "loan guarantee." See *supra* p. 280.

⁸³⁷ Section 502(5) defines "cost." See *supra* p. 281.

of a Federal agency to determine the terms and conditions of eligibility for, or the amount of assistance provided by a direct loan⁶³⁸ or a loan guarantee.⁶³⁹

⁶³⁸ Section 502(1) defines "direct loan." *See supra* p. 280.

⁶³⁹ Section 502(3) defines "loan guarantee." *See supra* p. 280.

Section 13201(a) of the Budget Enforcement Act created the new title V on credit reform, including section 505, and repealed what used to be section 505. *See infra* p. 713. Before enactment of the Budget Enforcement Act, section 505 read as follows:

REPEALS

SEC. 505. The following provisions of law are repealed:

(1) the ninth paragraph under the headings "Legislative Establishment", "Senate", of the Deficiency Appropriation Act, fiscal year 1934 (48 Stat. 1022; 2 U.S.C. 66); and

(2) the proviso to the second paragraph under the headings "House of Representatives", "Salaries, Mileage, and Expenses of Members", of the Legislative-Judiciary Appropriation Act, 1955 (68 Stat. 400; 2 U.S.C. 81).