

TITLE II—LOAN PROGRAM

LOANS

Sec. 201. (a) The Housing and Home Finance Administrator (in this title referred to as the "Administrator") is authorized to make loans to any group practice units or organizations to assist in financing the construction cost of group practice facilities. No such loan shall be made unless the Administrator finds (1) that the applicant is responsible and able to repay the loan but is unable to secure the funds from other sources (with or without mortgage insurance under title X of the National Housing Act) upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) that the construction or rehabilitation will be undertaken in an economical manner, will not be of elaborate or extravagant design or materials, and will be adequate and suitable for carrying out the purposes of this title. The amount and maturity of a loan under this title shall not exceed the limits prescribed in section 1001(c) of the National Housing Act. A loan under this title shall bear interest at a rate equal to the maximum rate applicable under section 1001(c)(3) of such Act plus the premium charge applicable under section 1002 of such Act, and shall be secured in such manner as may be determined by the Administrator.

(b) Each contract for a loan under this title shall contain an undertaking (in accordance with regulations prescribed under this title and in force at the time the loan contract is made) to the effect that, except as authorized by the Administrator, the property will be used as a group practice facility until the loan has been paid in full or the loan contract otherwise terminated.

(c) No loan shall be made under this title unless the borrower certifies (1) that it will keep such records relating to the loan transaction and indebtedness, to the construction or rehabilitation of the facility covered by the loan, and to the use of such facility as a group practice facility as are prescribed by the Administrator at the time of such certification, (2) that it will make such reports as may from time to time be required by the Administrator pertaining to such matters and (3) that the Administrator or any authorized officer or employee of the Housing and Home Finance Agency, or of any agency or institution employed or utilized by the Administrator for that purpose, shall have access to and the right to examine and audit such records.

(d) The Administrator may sell to any person or entity approved for such purpose by him, any loan made under this title, and a mortgage securing any loan thus sold may be insured under title X of the National Housing Act.

(e) No loan contract shall be entered into under this title after June 30, 1970, except pursuant to a commitment to lend issued before that date.

GROUP PRACTICE FACILITIES LOAN FUND

Sec. 202. There is hereby created a Group Practice Facilities Loan Fund (hereafter in this section called the "Fund") which shall be available without fiscal year limitation to the Administrator for carrying out the provisions of this title. The Administrator is hereby authorized to transfer to the Fund from time to time from the Appropriations provided under the authority in section 301 and available therefor such sums as he deems necessary to provide capital for the Fund. General expenses of the Administrator in operating the program under this title may be charged to the Fund. Moneys in the Fund not needed for current operations under this title may be invested in bonds or other obligations guaranteed as to principal and interest by the United States. Any excess moneys in the Fund may be transferred to the Group Practice Facilities Insurance Fund established by section 1003 of the National Housing Act or, if not needed for such purpose, shall be deposited in the Treasury as miscellaneous receipts.

POWERS OF ADMINISTRATOR

Sec. 203. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsections (b) and (c) (2)) of the Housing Act of 1950.

REGULATIONS

Sec. 204. The Administrator, in prescribing regulations to carry out this title, shall consult with the Surgeon General of the Public Health Service with respect