

“(B) to install energy efficient measures or devices that reduce the demand on electric systems.

“(2) AMOUNT.—The total amount of a deferment under this subsection shall not exceed the sum of the principal and interest on the loans made to a customer of the borrower, as determined by the Secretary.

“(3) TERM.—The term of a deferment under this subsection shall not exceed 60 months.”.

SEC. 6104. RURAL ELECTRIFICATION ASSISTANCE.

Section 13 of the Rural Electrification Act of 1936 (7 U.S.C. 913) is amended to read as follows:

“SEC. 13. DEFINITIONS.

“In this Act:

“(1) FARM.—The term ‘farm’ means a farm, as defined by the Bureau of the Census.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(3) RURAL AREA.—Except as provided otherwise in this Act, the term ‘rural area’ means the farm and nonfarm population of—

“(A) any area described in section 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(C)); and

“(B) any area within a service area of a borrower for which a borrower has an outstanding loan made under titles I through V as of the date of enactment of this paragraph.

“(4) TERRITORY.—The term ‘territory’ includes any insular possession of the United States.

“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.”.

SEC. 6105. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

The Rural Electrification Act of 1936 is amended by inserting after section 306E (7 U.S.C. 936e) the following:

“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE PROGRAM.—The term ‘eligible program’ means a program administered by the Rural Utilities Service and authorized in—

“(A) this Act; or

“(B) paragraph (1), (2), (14), (22), or (24) of section 306(a) or section 306A, 306C, 306D, or 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a), 1926a, 1926c, 1926d, 1926e).

“(2) SUBSTANTIALLY UNDERSERVED TRUST AREA.—The term ‘substantially underserved trust area’ means a community in ‘trust land’ (as defined in section 3765 of title 38, United States Code) with respect to which the Secretary determines has a high need for the benefits of an eligible program.

“(b) INITIATIVE.—The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability of eligible programs in communities in substantially underserved trust areas.

“(c) **AUTHORITY OF SECRETARY.**—In carrying out subsection (b), the Secretary—

“(1) may make available from loan or loan guarantee programs administered by the Rural Utilities Service to qualified utilities or applicants financing with an interest rate as low as 2 percent, and with extended repayment terms;

“(2) may waive nonduplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program administered by the Rural Utilities Service to facilitate the construction, acquisition, or improvement of infrastructure;

“(3) may give the highest funding priority to designated projects in substantially underserved trust areas; and

“(4) shall only make loans or loan guarantees that are found to be financially feasible and that provide eligible program benefits to substantially underserved trust areas.

“(d) **REPORT.**—Not later than 1 year after the date of enactment of this section and annually thereafter, the Secretary shall submit to Congress a report that describes—

“(1) the progress of the initiative implemented under subsection (b); and

“(2) recommendations for any regulatory or legislative changes that would be appropriate to improve services to substantially underserved trust areas.”.

SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) **IN GENERAL.**—Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “for electrification” and all that follows through the end and inserting “for eligible electrification or telephone purposes consistent with this Act.”; and

(B) by striking paragraph (4) and inserting the following:

“(4) **ANNUAL AMOUNT.**—The total amount of guarantees provided by the Secretary under this section during a fiscal year shall not exceed \$1,000,000,000, subject to the availability of funds under subsection (e).”;

(2) in subsection (c), by striking paragraphs (2) and (3) and inserting the following:

“(2) **AMOUNT.**—

“(A) **IN GENERAL.**—The amount of the annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

“(B) **PROHIBITION.**—Except as otherwise provided in this subsection and subsection (e)(2), no other fees shall be assessed.

“(3) **PAYMENT.**—

“(A) **IN GENERAL.**—A lender shall pay the fees required under this subsection on a semiannual basis.

“(B) **STRUCTURED SCHEDULE.**—The Secretary shall, with the consent of the lender, structure the schedule for payment of the fee to ensure that sufficient funds are