

**AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 7
OFFERED BY MS. BASS OF CALIFORNIA**

Page 110, strike lines 12 through 20 and insert the following:

1 (D) NONSUBORDINATION.—

2 (i) IN GENERAL.—Section 603(b)(6)
3 is amended to read as follows:

4 “(6) NONSUBORDINATION.—

5 “(A) IN GENERAL.—The secured loan shall
6 not be subordinated to the claims of any holder
7 of project obligations entered into after the date
8 on which the agreement to provide the secured
9 loan is entered into under this section (except
10 that such obligations do not include project ob-
11 ligations issued to refund prior project obliga-
12 tions or project obligations not contemplated by
13 the parties at the time) in the event of bank-
14 ruptcy, insolvency, or liquidation of the obligor.

15 “(B) PRE-EXISTING INDENTURE.—

16 “(i) IN GENERAL.—The Secretary
17 shall waive subparagraph (A) for public
18 agency borrowers that are financing ongo-

1 ing capital programs and have outstanding
2 senior bonds under a pre-existing inden-
3 ture, if—

4 “(I) the secured loan is rated in
5 the A-category or higher;

6 “(II) the secured loan is secured
7 and payable from pledged revenues
8 not affected by project performance,
9 such as a tax-backed revenue pledge
10 or a system-backed pledge of project
11 revenues; and

12 “(III) the TIFIA program share
13 of eligible project costs is 33 percent
14 or less.

15 “(ii) LIMITATION.—If the Secretary
16 waives the nonsubordination requirement
17 under this subparagraph—

18 “(I) the maximum credit subsidy
19 that will be paid by the Federal Gov-
20 ernment shall be limited to 10 percent
21 of the principal amount of the secured
22 loan; and

23 “(II) the obligor shall be respon-
24 sible for paying the remainder of the
25 subsidy cost.”.

1 (ii) FUNDING.—For each of fiscal
2 years 2013 through 2016, the Secretary
3 shall carry out the amendment made by
4 clause (i) using funds made available to
5 the Secretary for administrative expenses
6 under section 104(a) of title 23, United
7 States Code.

