

AMENDMENT TO RULES CMTE. PRINT 119-33

OFFERED BY MR. MAST OF FLORIDA

To authorize the Secretary of State to provide certain direct loans and loan guarantees for the procurement of defense articles, defense services, and design and construction services, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Foreign Military Financing Loan Authorization Act of 2026”.

SEC. 2. STATEMENT OF POLICY.

2 It is the policy of the United States—

3 (1) to continue providing Foreign Military Fi4

nancing grants under the Arms Export Control
Act

5 (22 U.S.C. 2751 et seq.) to foreign allies and
part6

ners to purchase United States defense equipment,

7 services, and training in support of United States

8 national security by strengthening such allies
and

9 partners, promoting regional stability, and
enhanc10

ing interoperability with United States forces; and

11 (2) to ensure such grants are supplemented by

12 direct loans and loan guarantees as authorized
by

13 section 3.

**SEC. 3. AUTHORIZATION FOR DIRECT LOANS AND LOAN
GUARANTEES.**

(a) AUTHORIZATION.—The Secretary of State is authorized to provide, to any country or international organization the Secretary determines appropriate and consistent with United States national security interests—

(1) direct loans for the purpose of financing the procurement of defense articles, defense services, and design and construction services pursuant to section 23 of the Arms Export Control Act (22 U.S.C. 2763); and

(2) loan guarantees for the purpose of financing the procurement of defense articles, defense services, and design and construction services pursuant to section 24 of such Act (22 U.S.C. 2764).

(b) IN GENERAL.—The Secretary is authorized to establish the rate of interest, commensurate with current prevailing market rate, subject to paragraph (2), repayment schedule, and repayment terms applicable to direct loans authorized under subsection (a)(1).

(c) WAIVER. – The Secretary of State may waive requirement under paragraph (1) that a rate of interest be commensurate with the current prevailing market rate with respect to any direct loan upon a written determination submitted to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate not later than 15 days before such a waiver is to take effect that includes –

(A) an attestation that the borrowing country is a key partner in a theater of active United States strategic interest;

(B) an attestation that such concessional terms are necessary to remain competitive with financing offered by other countries; and

(C) a detailed description of the borrowing country's economic need for such concessional terms.

(d) CONDITIONS AND LIMITATIONS.—Except as authorized in subsection (b), any direct loan or loan guarantee authorized under subsection (a) shall be subject to—

(1) the terms, conditions, eligibility requirements, and limitations set forth in section 23 of the Arms Export Control Act (22 U.S.C. 2763);

(2) such additional terms and conditions as the Secretary may prescribe; and

(3) the availability of funds appropriated by Congress for purposes of this section.

(e) SUNSET. – The authority provided by this section shall terminate on the date that is 7 years after the date of the enactment of this Act.

SEC. 3. AUTHORIZING THE DEPARTMENT OF STATE TO OBLIGATE FUNDS FROM THE FOREIGN MILITARY SALES ADMINISTRATIVE SURCHARGE FUND.

Funds deposited pursuant to section 21(e)(1)(A) of the Arms Export Control Act (22 U.S.C. 2761(e)(1)(A)) may be obligated by the Department of State for the purpose of paying Bureau of Political Military Affairs administrative and personnel costs and expenses pursuant to such Act (22 U.S.C. 2751 et seq.).

SEC. 4. REPORTING REQUIREMENT.

Not later than 90 days after the date of the enactment of this Act, and quarterly thereafter for 7 years, the Secretary of State shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report describing—

(1) any direct loan or loan guarantee provided pursuant to section 3(a);

(2) the recipient, amount, terms, and purpose of each such loan or guarantee;

(3) an assessment of the impact of such loans or guarantees on United States national security objectives; and

(4) an assessment of additional resources needed by the Department of State to carry out the provisions of this Act.

SEC. 5. DEFINITIONS.

In this Act, the terms “defense articles”, “defense services”, and “design and construction services” have the meanings given such terms in section 47 of the Arms Export Control Act (22 U.S.C. 2794).
