

A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 2-59, 4-19, 4-26, and 4-35, by amending further section 114, as amended by Public Law No. 2-59, to allow the use of interest payments for loans made from the Federated States of Micronesia Revolving Economic Development Loan Fund to be used for the operations of the Federated States of Micronesia Development Bank, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 114 of title 30 of the Code of the Federated  
2 States of Micronesia, as amended by Public Law No. 2-59, is hereby  
3 further amended to read as follows:

4 "Section 114. Federated States of Micronesia Revolving  
5 Economic Development Loan Fund.

6 (1) There is hereby established the Federated States  
7 of Micronesia Revolving Economic Development Loan Fund  
8 (hereinafter the 'fund') separate from the General Fund and  
9 all other funds.

10 (2) The purpose of the fund is to establish an ongoing  
11 revolving fund to provide long-term low interest economic  
12 development loans to qualified citizens of the Federated  
13 States of Micronesia.

14 (3) Unless otherwise required by law, all past and  
15 future appropriations to the Bank for economic development  
16 loans to citizens of the Federated States of Micronesia  
17 shall be deposited into the fund. All repayments of  
18 principal ~~and interest~~ for loans made from the fund and  
19 fifty percent of the interest payments for loans made  
20 from the fund shall be deposited back into the fund for the  
21 purpose stated in subsection (2) of this section. The  
22 remaining fifty percent of the interest payments for  
23 loans made from the fund shall go into a separate account to  
24 be used for the operations of the Bank. Further, all  
25 repayments of principal and interest for loans made pursuant

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1 to Public Law No. 2-11 shall be deposited into the fund.  
2 Any unexpended money in the fund shall not revert to the  
3 General Fund or lapse at the end of the fiscal year.

4 (4) The fund and loans from the fund shall be adminis-  
5 tered, managed, and accounted for in accordance with the  
6 provisions of this chapter, other applicable laws, and  
7 policies and procedures established by the Board of Directors  
8 of the Bank.

9 (5) The President of the Bank shall prepare and submit  
10 to the Congress of the Federated States of Micronesia and the  
11 President of the Federated States of Micronesia annually,  
12 within 90 days after the close of its fiscal year,  
13 a report on the status of the fund to include:

14 (a) The total amount of money currently in the  
15 fund;

16 (b) The total amount of outstanding current  
17 loans;

18 (c) The total amount of repayments collected in  
19 the prior fiscal year;

20 (d) The total amount of repayment interest  
21 diverted from the fund pursuant to subsection (3) of this  
22 section and used for the operations of the Bank;

23 (e) The total amount of payments in default in  
24 the prior fiscal year;

25 (f) The number of loans made during the prior

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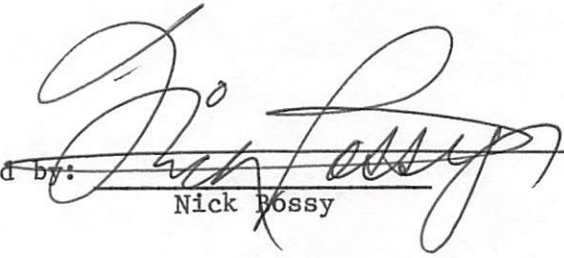
1 fiscal year; and

2 (fg) Such other information as may be required  
3 by the Congress or the President.

4 (6) Appropriations from the General Fund of the  
5 Federated States of Micronesia are hereby authorized for  
6 the purpose stated in subsection (2) of this section."

7 Section 2. This act shall become law upon approval by the  
8 President of the Federated States of Micronesia or upon its becoming  
9 law without such approval.

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11 Date: 10/21/86

Introduced by:   
Nick Bossy

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