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:

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


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

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

(3) Unless otherwise required by law, all past and future appropriations to the Bank for economic development loans to citizens of the Federated States of Micronesia shall be deposited into the fund. All repayments of principal and interest for loans made from the fund and fifty percent of the interest payments for loans made from the fund shall be deposited back into the fund for the purpose stated in subsection (2) of this section. The remaining fifty percent of the interest payments for loans made from the fund shall go into a separate account to be used for the operations of the Bank. Further, all repayments of principal and interest for loans made pursuant
to Public Law No. 2-11 shall be deposited into the fund.

Any unexpended money in the fund shall not revert to the
General Fund or lapse at the end of the fiscal year.

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

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

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

(b) The total amount of outstanding current
loans;

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

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

(4e) The total amount of payments in default in
the prior fiscal year;

(4f) The number of loans made during the prior
fiscal year; and

(5) Such other information as may be required
by the Congress or the President.

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

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

Date: 10/21/86  Introduced by: Nick Fossy