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A BILL FOR AN ACT

To amend section 17 of Public Law No. 5-122 for the purpose of reducing from \$500,000 to \$100,000 the minimum amount for Investment Development Fund Loans to be made from the private-sector reserve sub-fund, and for other purposes.

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

1 Section 1. Section 17 of Public Law No. 5-122 is hereby amended
2 to read as follows:

3 "Section 17. Allocations to the States; Private-sector
4 reserve.

5 (1) With respect to the amounts to be provided
6 pursuant to section 111(b)(1)(i) of United States Public
7 Law 99-239 and article II, paragraphs 2(a) and (b) of the
8 Investment Development Fund Agreement, \$3,000,000 shall be
9 placed in subaccounts within the Fund for each of the
10 States of Pohnpei and Truk, and \$2,000,000 shall be placed
11 in subaccounts within the Fund for each of the States of
12 Kosrae and Yap. The funds in the State-earmarked sub-
13 accounts shall be available only to qualified recipients
14 whose application for financing is sponsored by the State
15 from whose earmarked subaccount the financing shall be
16 funded. An additional \$2,000,000 shall be placed in a
17 private-sector reserve, which shall be available for
18 financing to qualified recipients which are not State or
19 National Governments, public corporations thereof, or
20 business associations in which a government or public
21 corporation has a financial interest, for projects whose
22 total financing from the Fund shall equal or exceed
23 ~~\$500,000~~ 100,000, or when the balance of the private-
24 sector reserve should fall below ~~\$500,000~~ 100,000, a lesser
25 amount. The remaining such amounts provided by the United

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1 States shall be retained in the Fund and invested in
2 accordance with section 18 of this act, but shall not be
3 disbursed except when authorized by subsequent legislation.

4 (2) All repayments of principal and interest and
5 penalties on loans made from a State's earmarked subaccount
6 of the Fund and all cash assets recovered on such loans
7 shall be credited to that State's earmarked subaccount. All
8 other repayment of principal and interest and penalties,
9 cash assets recovered, and other fees, charges, and
10 penalties shall be credited to the private-sector reserve."

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

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15 Date: 5/15/89

Introduced by: Jacob Nena
Jacob Nena

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