

RFD

A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia, as amended by Public Law No. 5-122, by amending section 121 for the purpose of modifying the permissible interest rates charged by 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 121 of title 30 of the Code of the Federated
2 States of Micronesia is hereby amended to read as follows:

3 "Section 121. Loans by the Bank.

4 (1) Notwithstanding any other provision of this
5 chapter, the interest on any loan made by the Bank shall be
6 no less than one-half of one percent and no greater than
7 ~~five~~ nine percent per annum.

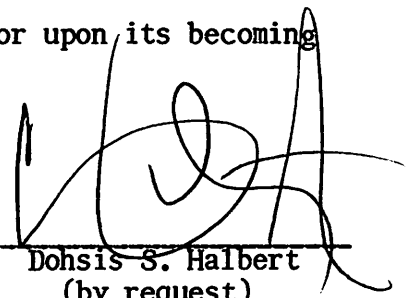
8 (2) Notwithstanding any other provision of this
9 chapter, each loan made by the Bank shall have a grace
10 period during which no interest shall accrue. The duration
11 of the grace period shall be determined by the Bank on a
12 case-by-case basis, taking into account the amount of time
13 required before a project funded by a loan from the Bank
14 could be reasonably expected to yield a sufficient return
15 to enable the borrower to make interest payments and
16 repayments of principal.

17 (3) Appropriations from the General Fund of the
18 Federated States of Micronesia are hereby authorized to
19 implement this section."

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

23
24 Date: 11-27-89

Introduced by:


Dohsis S. Halbert
(by request)