

2-3705. Procedures for making deposits; deposit agreement, terms. (a) If sufficient moneys are not available for a remediation linked deposit, applications may be considered in the order received when moneys are once again available, subject to a review by the lending institution.

(b) Upon acceptance, the state treasurer shall certify to the director of investments the amount required for a remediation linked deposit loan package and the director of investments shall place a remediation linked deposit in the amount certified by the state treasurer with the eligible lending institution at an interest rate which is 2% below the market rate, as determined under K.S.A. 75-4237, and amendments thereto, and which shall be recalculated on the first business day of January and July of each calendar year using the market rate then in effect. The minimum interest rate shall be .50%, if the market rate is below 2.5%. When necessary, the state treasurer may request the director of investments to place such remediation linked deposit prior to acceptance of a remediation linked deposit loan package.

(c) The eligible lending institution shall enter into a remediation linked deposit agreement with the state treasurer. Such agreement shall include requirements necessary to implement the purposes of the remediation linked deposit loan program. Such requirements shall include an agreement by the eligible lending institution to lend an amount equal to the remediation linked deposit to eligible persons at an interest rate that is not more than 2% above the market rate, as determined under K.S.A. 75-4237, and amendments thereto, and which shall be recalculated on the first business day of each calendar year using the market rate then in effect. The agreement shall include provisions for the remediation linked deposit to be placed for a maturity considered appropriate in coordination with the underlying remediation linked deposit loan. The agreement shall include provisions for the reduction of the remediation linked deposit in an amount equal to any payment of loan principal by the eligible person.

History: L. 2000, ch. 82, § 5; L. 2009, ch. 123, § 1; July 1.