

FILED FEB 19 1990

SENATE FILE 2385
BY COMMITTEE ON SMALL BUSINESS
AND ECONOMIC DEVELOPMENT

(SUCCESSOR TO SSB 2282)

Re Passed Senate 3/26 49 to 0 (p. 1318)

Passed Senate, Date 3/5/90 (p. 873) Passed House, Date 3/21/90 (p. 1270)

Vote: Ayes 43 Nays 6 Vote: Ayes 96 Nays 0

Approved April 3, 1990

A BILL FOR

1 An Act establishing a new agricultural products and processes
2 program and creating a state fund to support the program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2385

1 Section 1.

2 This Act is created as a separate subchapter of chapter 28.

3 Sec. 2. NEW SECTION. 28.111 NEW AGRICULTURAL PRODUCTS
4 AND PROCESSES PROGRAM.

5 1. The department shall establish a new agricultural
6 products and processes program. The program shall facilitate
7 the acquisition of capital to persons engaged in developing
8 new agricultural products or processes.

9 2. This program shall provide for the insuring or
10 guaranteeing of eighty percent of the amount of a loan, not in
11 excess of one hundred thousand dollars, made to a person to
12 provide moneys for purposes of developing new agricultural
13 products and processes in this state. The department shall
14 insure or guarantee only one such loan for each person. The
15 department shall insure or guarantee a loan for only three
16 years but with the option to extend the insurance or guarantee
17 once for three years. The department shall not insure or
18 guarantee a loan where the ratio of the person's liabilities,
19 excluding the amount of the loan, to assets is greater than
20 three to one. Provision shall be made in the insuring or
21 guaranteeing of a loan that only those funds set aside for
22 this program as provided in this subsection shall be used for
23 the payment of all or a portion of the loan insured or
24 guaranteed. Provision shall also be made that the department
25 shall pay under its insurance or guarantee eighty percent of
26 the actual amount of the default. A lender which seeks to
27 have a loan of the lender insured or guaranteed under this
28 program shall apply to the department for the insurance or
29 guarantee pursuant to rules established by the department for
30 this purpose. The lender must be a bank or savings and loan
31 association authorized to make such loans by this state or by
32 the laws of the United States, which is a member of the
33 federal deposit insurance corporation or the federal savings
34 and loan insurance corporation. This program shall not
35 obligate the state, authority, or other agency except to the

1 extent provided in this subsection. The department shall
2 define by rule what constitutes a loan. The definition shall
3 not include the refinancing of an existing loan.

4 3. A person is eligible to be a borrower of moneys
5 guaranteed or insured under this section, if all of the
6 following requirements are satisfied:

7 a. The person is a resident of this state. If the person
8 is a partnership, all partners must be residents of this
9 state. If the person is a trust, all beneficiaries must be
10 residents of this state.

11 b. Moneys from a loan guaranteed or insured under this
12 section must be used for developing new agricultural products
13 or processes. The development must show potential for
14 profitable market growth. Loan moneys must be expended within
15 the state.

16 c. The person must demonstrate managerial and technical
17 expertise in the development of the new product or process.

18 d. The person must have facilities and personnel necessary
19 to develop the product or process.

20 4. The department shall adopt rules necessary to
21 administer this section.

22 Sec. 3. NEW SECTION. 28.112 NEW AGRICULTURAL PRODUCTS
23 AND PROCESSES GUARANTEE FUND.

24 1. The department shall establish a new agricultural
25 products and processes guarantee fund composed of any money
26 appropriated by the general assembly for that purpose, any
27 other moneys available to and obtained or accepted by the
28 department from the federal government or private sources for
29 placement in the fund, and any earned interest. Except as
30 otherwise provided by subsection 2, the assets of the fund
31 shall be used only to guarantee or insure loans made by
32 lenders under section 28.111.

33 2. The department may use moneys in the fund to do any of
34 the following:

35 a. Contract, sue and be sued, and adopt administrative

1 rules necessary to carry out the provisions of this section,
2 but the committee shall not in any manner directly or
3 indirectly pledge the credit of the state of Iowa.

4 b. Authorize payment from the fund, from any income
5 received by investments of moneys in the fund for costs,
6 commissions, attorney fees, and other reasonable expenses
7 related to and necessary for insuring or guaranteeing loans
8 under section 28.111, and for the recovery of loan moneys
9 insured or guaranteed or the management of property acquired
10 in connection with such loans.

11 3. Section 8.33 shall not apply to moneys in the fund.

12 EXPLANATION

13 This bill creates a new agricultural products and processes
14 program to be administered by the department of economic
15 development. The program guarantees or insures 80 percent of
16 a loan to develop new agricultural products or processes. The
17 amount insured or guaranteed cannot exceed \$100,000 and for
18 not more than 3 years, unless extended. Requirements are
19 placed on a person qualifying as a lender. The person must be
20 a resident of the state, loan moneys must be used to support
21 projects demonstrating profitable market growth, the person
22 must demonstrate managerial and technical expertise, and there
23 must be available facilities and personnel to develop the
24 product or process. A fund is created to support the program.
25 The bill provides for the expenditure of moneys in the fund.

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SENATE FILE 2385
FISCAL NOTE

A fiscal note for Senate File 2385 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2385 creates an agricultural products and processes program to provide guarantees or insure 80 percent of a loan to develop new agricultural products or processes. The amount guaranteed or insured may not exceed \$100,000 and for not more than 3 years. Individual borrowers with demonstrable managerial and technical expertise, and with Iowa residency, may apply for loans and the money must be used to support projects demonstrating profitable market growth. The Bill creates a fund to support the Program.

ASSUMPTIONS:

1. A minimum of \$500,000 needed to administer and to provide loan guarantees.
2. One FTE position at Administrative Assistant IV level.
3. No significant increases in expenditures in the second year.
4. Average guarantee of \$75,000.
5. 8 to 10 loans to be guaranteed each fiscal year.

FISCAL IMPACT:

Revenue Needed to Create Fund:	FY 1991	FY 1992
General Fund	\$500,000	\$500,000
Expenditure:	FY 1991	FY 1992
Salary	\$30,000	\$30,000
Support	15,000	15,000
Total	\$45,000	\$45,000

Source: Department of Economic Development

(LSB 8048SV, KNM)

FILED FEBRUARY 27, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 2385

H-5780

1 Amend Senate File 2385, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause, and inserting the following:

5 "Section 1. CODIFICATION.

6 Sections 2 and 3 of this Act are created as a
7 separate division of chapter 28.

8 Sec. 2. NEW SECTION. 28.111 VALUE-ADDED
9 AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL
10 ASSISTANCE PROGRAM.

11 1. Contingent on the availability of funding for
12 this program, the department may establish a value-
13 added agricultural products and processes financial
14 assistance program. The purpose of the program is to
15 foster the development of new innovative products,
16 practices, and processes related to agriculture
17 through specialized financial or technical assistance
18 to facilitate the acquisition of capital. Financial
19 assistance may be in the form of a loan, loan
20 guarantee, grant, or a combination of financial
21 assistance.

22 2. A person is eligible to apply for assistance
23 under this section, if the person satisfies the
24 following requirements:

25 a. The person is a resident of this state, or the
26 person's principal place of business is located in
27 this state.

28 b. The person applies to the department of
29 economic development in a manner and according to
30 procedures required by the department.

31 c. The person submits a business plan which
32 demonstrates managerial and technical expertise.

33 d. The person operates for profit or not-for-
34 profit and under a single management, and either
35 employs fewer than twenty employees or has an annual
36 gross income of less than three million dollars
37 computed as the average of the three preceding fiscal
38 years.

39 3. The department of economic development may
40 grant financial or technical assistance to a person
41 eligible to receive assistance under this section,
42 upon review of the person's application by the
43 agricultural products advisory council as established
44 in section 15.203. The council shall make
45 recommendations to approve or disapprove an
46 application to the department. The department shall
47 consider the recommendations in granting or denying
48 assistance. The department shall not approve an
49 application for assistance under this section to
50 refinance an existing loan, or to finance traditional

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1 agricultural operations. An application is eligible
2 for consideration if the application seeks assistance
3 for any of the following purposes:

4 a. The development of value-added agricultural
5 processes not commonly available in this state which
6 are to be carried out by the person in this state.
7 b. The development of an innovative or diversified
8 agricultural product not commonly produced in this
9 state which is to be carried out by the person in this
10 state.

11 c. The development of an innovative processing,
12 packaging, marketing, or management practice not
13 commonly available in this state which is to be
14 carried out by the person in this state.

15 4. Assistance by the department granted to an
16 eligible person shall be subject to the following
17 restrictions:

18 a. The person shall not receive financial
19 assistance totaling more than eighty thousand dollars
20 under this program.

21 b. Interest on a loan shall not exceed the current
22 fair market interest rate. A loan shall not exceed
23 fifty thousand dollars.

24 c. A loan guarantee shall not exceed eighty
25 thousand dollars. A loan guarantee shall guarantee
26 not more than eighty percent of a conventionally
27 obtained loan.

28 d. A grant shall not exceed twenty-five thousand
29 dollars. A grant shall be made only to provide
30 leverage for a conventionally obtained loan. The
31 conventionally obtained loan must be for an amount
32 significantly larger than the amount of the grant.

33 5. Notwithstanding restrictions contained in
34 subsection 4, the department may use up to five
35 thousand dollars to contract for technical assistance
36 in order to aid a person having a pending or approved
37 application under this section.

38 Sec. 3. NEW SECTION. 28.112 VALUE-ADDED
39 AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL
40 ASSISTANCE FUND.

41 1. The department may establish a value-added
42 agricultural products and processes financial
43 assistance fund. The fund shall be a revolving fund
44 composed of any money appropriated by the general
45 assembly for that purpose, any other moneys available
46 to and obtained or accepted by the department from the
47 federal government or private sources for placement in
48 the fund, and any earned interest. Except as
49 otherwise provided in subsection 2, the assets of the
50 fund shall be used by the department only for carrying

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1 out the purposes of section 28.111.

2 2. The department may use moneys in the fund to do
3 any of the following:

4 a. Contract, sue and be sued, and adopt
5 administrative rules necessary to carry out the
6 provisions of this section and section 28.111, but the
7 department shall not in any manner directly or
8 indirectly pledge the credit of the state.

9 b. Authorize payment from the fund, from any
10 income received by investments of moneys in the fund
11 for costs, commissions, attorney fees, and other
12 reasonable expenses related to and necessary for
13 insuring or guaranteeing loans under section 28.111,
14 and for the recovery of loan moneys insured or
15 guaranteed or the management of property acquired in
16 connection with such loans.

17 c. Section 8.33 shall not apply to moneys in the
18 fund."

By JESSE of Jasper
SWARTZ OF Marshall
BRANSTAD of Winnebago
BEAMAN of Clarke

MURPHY of Dubuque
BENNETT of Ida
SVOBODA of Tama

H-5780 FILED MARCH 20, 1990

Adopted 3/21 (p. 1274)

HOUSE AMENDMENT TO
SENATE FILE 2385

S-3673

1 Amend Senate File 2385, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting
4 clause, and inserting the following:

5 "Section 1. CODIFICATION.

6 Sections 2 and 3 of this Act are created as a
7 separate division of chapter 28.

8 Sec. 2. NEW SECTION. 28.111 VALUE-ADDED
9 AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL
10 ASSISTANCE PROGRAM.

11 1. Contingent on the availability of funding for
12 this program, the department may establish a value-
13 added agricultural products and processes financial
14 assistance program. The purpose of the program is to
15 foster the development of new innovative products,
16 practices, and processes related to agriculture
17 through specialized financial or technical assistance
18 to facilitate the acquisition of capital. Financial
19 assistance may be in the form of a loan, loan
20 guarantee, grant, or a combination of financial
21 assistance.

22 2. A person is eligible to apply for assistance
23 under this section, if the person satisfies the
24 following requirements:

25 a. The person is a resident of this state, or the
26 person's principal place of business is located in
27 this state.

28 b. The person applies to the department of
29 economic development in a manner and according to
30 procedures required by the department.

31 c. The person submits a business plan which
32 demonstrates managerial and technical expertise.

33 d. The person operates for profit or not-for-
34 profit and under a single management, and either
35 employs fewer than twenty employees or has an annual
36 gross income of less than three million dollars
37 computed as the average of the three preceding fiscal
38 years.

39 3. The department of economic development may
40 grant financial or technical assistance to a person
41 eligible to receive assistance under this section,
42 upon review of the person's application by the
43 agricultural products advisory council as established
44 in section 15.203. The council shall make
45 recommendations to approve or disapprove an
46 application to the department. The department shall
47 consider the recommendations in granting or denying
48 assistance. The department shall not approve an
49 application for assistance under this section to
50 refinance an existing loan, or to finance traditional

S-5673

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1 agricultural operations. An application is eligible
2 for consideration if the application seeks assistance
3 for any of the following purposes:

4 a. The development of value-added agricultural
5 processes not commonly available in this state which
6 are to be carried out by the person in this state.

7 b. The development of an innovative or diversified
8 agricultural product not commonly produced in this
9 state which is to be carried out by the person in this
10 state.

11 c. The development of an innovative processing,
12 packaging, marketing, or management practice not
13 commonly available in this state which is to be
14 carried out by the person in this state.

15 4. Assistance by the department granted to an
16 eligible person shall be subject to the following
17 restrictions:

18 a. The person shall not receive financial
19 assistance totaling more than eighty thousand dollars
20 under this program.

21 b. Interest on a loan shall not exceed the current
22 fair market interest rate. A loan shall not exceed
23 fifty thousand dollars.

24 c. A loan guarantee shall not exceed eighty
25 thousand dollars. A loan guarantee shall guarantee
26 not more than eighty percent of a conventionally
27 obtained loan.

28 d. A grant shall not exceed twenty-five thousand
29 dollars. A grant shall be made only to provide
30 leverage for a conventionally obtained loan. The
31 conventionally obtained loan must be for an amount
32 significantly larger than the amount of the grant.

33 5. Notwithstanding restrictions contained in
34 subsection 4, the department may use up to five
35 thousand dollars to contract for technical assistance
36 in order to aid a person having a pending or approved
37 application under this section.

38 Sec. 3. NEW SECTION. 28.112 VALUE-ADDED
39 AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL
40 ASSISTANCE FUND.

41 1. The department may establish a value-added
42 agricultural products and processes financial
43 assistance fund. The fund shall be a revolving fund
44 composed of any money appropriated by the general
45 assembly for that purpose, any other moneys available
46 to and obtained or accepted by the department from the
47 federal government or private sources for placement in
48 the fund, and any earned interest. Except as
49 otherwise provided in subsection 2, the assets of the
50 fund shall be used by the department only for carrying

S-5673

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1 opt the purposes of section 28.111.
2 2. The department may use moneys in the fund to do
3 any of the following:
4 a. Contract, sue and be sued, and adopt
5 administrative rules necessary to carry out the
6 provisions of this section and section 28.111, but the
7 department shall not in any manner directly or
8 indirectly pledge the credit of the state.
9 b. Authorize payment from the fund, from any
10 income received by investments of moneys in the fund
11 for costs, commissions, attorney fees, and other
12 reasonable expenses related to and necessary for
13 insuring or guaranteeing loans under section 28.111,
14 and for the recovery of loan moneys insured or
15 guaranteed or the management of property acquired in
16 connection with such loans.
17 c. Section 8.33 shall not apply to moneys in the
18 fund."

RECEIVED FROM THE HOUSE

S-5673 FILED MARCH 23, 1990

Senate concurred 3/26 (p. 1318)

FATE, CH.
BOSWELL
SCOTT

SSB 2282
SMALL BUSINESS/ECONOMIC
DEVELOPMENT

SENATE FILE 2385
BY (PROPOSED COMMITTEE ON SMALL
BUSINESS AND ECONOMIC
DEVELOPMENT BILL BY CHAIR-
PERSON BOSWELL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a new agricultural products and processes
2 program and creating a state fund to support the program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1.

2 This Act is created as a separate subchapter of chapter 28.

3 Sec. 2. NEW SECTION. 28.111 NEW AGRICULTURAL PRODUCTS
4 AND PROCESSES PROGRAM.

5 1. The department shall establish a new agricultural
6 products and processes program. The program shall facilitate
7 the acquisition of capital to persons engaged in developing
8 new agricultural products or processes.

9 2. This program shall provide for the insuring or
10 guaranteeing of eighty percent of the amount of a loan, not in
11 excess of one hundred thousand dollars, made to a person to
12 provide moneys for purposes of developing new agricultural
13 products and processes in this state. The department shall
14 insure or guarantee only one such loan for each person. The
15 department shall insure or guarantee a loan for only three
16 years but with the option to extend the insurance or guarantee
17 once for three years. The department shall not insure or
18 guarantee a loan where the ratio of the person's liabilities,
19 excluding the amount of the loan, to assets is greater than
20 three to one. Provision shall be made in the insuring or
21 guaranteeing of a loan that only those funds set aside for
22 this program as provided in this subsection shall be used for
23 the payment of all or a portion of the loan insured or
24 guaranteed. Provision shall also be made that the department
25 shall pay under its insurance or guarantee eighty percent of
26 the actual amount of the default. A lender which seeks to
27 have a loan of the lender insured or guaranteed under this
28 program shall apply to the department for the insurance or
29 guarantee pursuant to rules established by the department for
30 this purpose. The lender must be a bank or savings and loan
31 association authorized to make such loans by this state or by
32 the laws of the United States, which is a member of the
33 federal deposit insurance corporation or the federal savings
34 and loan insurance corporation. This program shall not
35 obligate the state, authority, or other agency except to the

1 extent provided in this subsection. The department shall
2 define by rule what constitutes a loan. The definition shall
3 not include the refinancing of an existing loan.

4 3. A person is eligible to be a borrower of moneys
5 guaranteed or insured under this section, if all of the
6 following requirements are satisfied:

7 a. The person is a resident of this state. If the person
8 is a partnership, all partners must be residents of this
9 state. If the person is a trust, all beneficiaries must be
10 residents of this state.

11 b. Moneys from a loan guaranteed or insured under this
12 section must be used for developing new agricultural products
13 or processes. The development must show potential for
14 profitable market growth. Loan moneys must be expended within
15 the state.

16 c. The person must demonstrate managerial and technical
17 expertise in the development of the new product or process.

18 d. The person must have facilities and personnel necessary
19 to develop the product or process.

20 4. The department shall adopt rules necessary to
21 administer this section.

22 Sec. 3. NEW SECTION. 28.112 NEW AGRICULTURAL PRODUCTS
23 AND PROCESSES GUARANTEE FUND.

24 1. The department shall establish a new agricultural
25 products and processes guarantee fund composed of any money
26 appropriated by the general assembly for that purpose, any
27 other moneys available to and obtained or accepted by the
28 department from the federal government or private sources for
29 placement in the fund, and any earned interest. Except as
30 otherwise provided by subsection 2, the assets of the fund
31 shall be used only to guarantee or insure loans made by
32 lenders under section 28.111.

33 2. The department may use moneys in the fund to do any of
34 the following:

35 a. Contract, sue and be sued, and adopt administrative

1 rules necessary to carry out the provisions of this section,
2 but the committee shall not in any manner directly or
3 indirectly pledge the credit of the state of Iowa.

4 b. Authorize payment from the fund, from any income
5 received by investments of moneys in the fund for costs,
6 commissions, attorney fees, and other reasonable expenses
7 related to and necessary for insuring or guaranteeing loans
8 under section 28.111, and for the recovery of loan moneys
9 insured or guaranteed or the management of property acquired
10 in connection with such loans.

11 3. Section 8.33 shall not apply to moneys in the fund.

12

EXPLANATION

13 This bill creates a new agricultural products and processes
14 program to be administered by the department of economic
15 development. The program guarantees or insures 80 percent of
16 a loan to develop new agricultural products or processes. The
17 amount insured or guaranteed cannot exceed \$100,000 and for
18 not more than 3 years, unless extended. Requirements are
19 placed on a person qualifying as a lender. The person must be
20 a resident of the state, loan moneys must be used to support
21 projects demonstrating profitable market growth, the person
22 must demonstrate managerial and technical expertise, and there
23 must be available facilities and personnel to develop the
24 product or process. A fund is created to support the program.
25 The bill provides for the expenditure of moneys in the fund.

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SENATE FILE 2385

AN ACT

ESTABLISHING A NEW AGRICULTURAL PRODUCTS AND PROCESSES
PROGRAM AND CREATING A STATE FUND TO SUPPORT THE
PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. CODIFICATION.

Sections 2 and 3 of this Act are created as a separate division of chapter 28.

Sec. 2. NEW SECTION. 28.111 VALUE-ADDED AGRICULTURAL
PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE PROGRAM.

1. Contingent on the availability of funding for this program, the department may establish a value-added agricultural products and processes financial assistance program. The purpose of the program is to foster the development of new innovative products, practices, and processes related to agriculture through specialized financial or technical assistance to facilitate the acquisition of capital. Financial assistance may be in the form of a loan, loan guarantee, grant, or a combination of financial assistance.

2. A person is eligible to apply for assistance under this section, if the person satisfies the following requirements:

- a. The person is a resident of this state, or the person's principal place of business is located in this state.
- b. The person applies to the department of economic development in a manner and according to procedures required by the department.

c. The person submits a business plan which demonstrates managerial and technical expertise.

d. The person operates for profit or not-for-profit and under a single management, and either employs fewer than twenty employees or has an annual gross income of less than three million dollars computed as the average of the three preceding fiscal years.

3. The department of economic development may grant financial or technical assistance to a person eligible to receive assistance under this section, upon review of the person's application by the agricultural products advisory council as established in section 15.203. The council shall make recommendations to approve or disapprove an application to the department. The department shall consider the recommendations in granting or denying assistance. The department shall not approve an application for assistance under this section to refinance an existing loan, or to finance traditional agricultural operations. An application is eligible for consideration if the application seeks assistance for any of the following purposes:

a. The development of value-added agricultural processes not commonly available in this state which are to be carried out by the person in this state.

b. The development of an innovative or diversified agricultural product not commonly produced in this state which is to be carried out by the person in this state.

c. The development of an innovative processing, packaging, marketing, or management practice not commonly available in this state which is to be carried out by the person in this state.

4. Assistance by the department granted to an eligible person shall be subject to the following restrictions:

a. The person shall not receive financial assistance totaling more than eighty thousand dollars under this program.

b. Interest on a loan shall not exceed the current fair market interest rate. A loan shall not exceed fifty thousand dollars.

c. A loan guarantee shall not exceed eighty thousand dollars. A loan guarantee shall guarantee not more than eighty percent of a conventionally obtained loan.

d. A grant shall not exceed twenty-five thousand dollars. A grant shall be made only to provide leverage for a conventionally obtained loan. The conventionally obtained loan must be for an amount significantly larger than the amount of the grant.

5. Notwithstanding restrictions contained in subsection 4, the department may use up to five thousand dollars to contract for technical assistance in order to aid a person having a pending or approved application under this section.

Sec. 3. NEW SECTION. 28.112 VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND.

1. The department may establish a value-added agricultural products and processes financial assistance fund. The fund shall be a revolving fund composed of any money appropriated by the general assembly for that purpose, any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund, and any earned interest. Except as otherwise provided in subsection 2, the assets of the fund shall be used by the department only for carrying out the purposes of section 28.111.

2. The department may use moneys in the fund to do any of the following:

a. Contract, sue and be sued, and adopt administrative rules necessary to carry out the provisions of this section and section 28.111, but the department shall not in any manner directly or indirectly pledge the credit of the state.

b. Authorize payment from the fund, from any income received by investments of moneys in the fund for costs,

commissions, attorney fees, and other reasonable expenses related to and necessary for insuring or guaranteeing loans under section 28.111, and for the recovery of loan moneys insured or guaranteed or the management of property acquired in connection with such loans.

c. Section 8.33 shall not apply to moneys in the fund.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2385, Seventy-third General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved April 3, 1990

TERRY E. BRANSTAD
Governor