

### **15E.227 Loan and credit guarantee fund.**

1. A loan and credit guarantee fund is created and established as a separate and distinct fund in the state treasury. Moneys in the fund shall only be used for purposes provided in this section. The moneys in the fund are appropriated to the department to be used for all of the following purposes:

*a.* Payment of claims pursuant to loan and credit guarantee agreements entered into under this division.

*b.* Payment of administrative costs of the department for actual and necessary administrative expenses incurred by the department in administering the program.

*c.* Purchase or buyout of superior or prior liens, mortgages, or security interests.

*d.* Purchase of insurance to cover the default of loans made pursuant to the requirements of the loan and credit guarantee program.

2. Moneys in the loan and credit guarantee fund shall consist of all of the following:

*a.* Moneys appropriated by the general assembly for that purpose and any other moneys available to and obtained or accepted by the department for placement in the fund.

*b.* Proceeds from collateral assigned to the department, fees for guarantees, gifts, and moneys from any grant made to the fund by any federal agency.

3. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, interest or earnings on the moneys in the fund shall be credited to the fund.

4. *a.* The department shall only pledge moneys in the loan and credit guarantee fund and not any other moneys of the department. In a fiscal year, the department may pledge an amount not to exceed the total amount appropriated to the fund for the same fiscal year to assure the repayment of loan and credit guarantees or other extensions of credit made to or on behalf of qualified businesses or targeted industry businesses for eligible project costs.

*b.* The department shall not pledge the credit or taxing power of this state or any political subdivision of this state or make debts payable out of any moneys except for those in the loan and credit guarantee fund.

2003 Acts, 1st Ex, ch 2, §81, 209; 2004 Acts, 1st Ex, ch 1001, §28, 29

For future repeal of this section, effective June 30, 2010, see 2003 Acts, 1st Ex, ch 2, §93