

781—4.4(12) Qualifications on the certificate of deposit.

4.4(1) The minimum rate for the certificate of deposit shall be 1 percent. The term shall not exceed one year but may be renewed at the option of the treasurer.

4.4(2) Interest must be calculated for the actual number of days on a 365-day basis, except during leap year, when it must be calculated for the actual number of days on a 366-day basis. Interest must be paid to the treasurer upon maturity of the certificate of deposit.

4.4(3) The certificate of deposit and accrued interest must be secured either by federal deposit insurance or must be collateralized pursuant to Iowa Code chapter 12C.

4.4(4) If the borrower pays the loan in full prior to the maturity date of the certificate of deposit, the lender shall, within ten days of the payment in full, remit the principal balance of the certificate of deposit and the accrued interest thereon to the treasurer.

4.4(5) Funds shall be transferred according to instructions from the treasurer.

4.4(6) When a certificate of deposit is issued or renewed, it shall be held in safekeeping by the lender. The lender shall provide the treasurer a safekeeping receipt or a photocopy of the certificate of deposit upon issuance and at the time of renewal of the certificate of deposit. The safekeeping receipt or photocopy must include:

- a.* Certificate of deposit number.
- b.* Certificate of deposit rate.
- c.* Certificate of deposit amount.
- d.* Term of the certificate of deposit.
- e.* Maturity date of the certificate of deposit.

4.4(7) The maximum period of eligibility for any borrower or business is five years from the issue date of the first certificate of deposit.

4.4(8) If the certificate of deposit is not renewed within ten days of the maturity date, the funds must be remitted to the treasurer. During the ten-day period, the funds shall continue to earn interest.

4.4(9) At renewal of the certificate of deposit, the lender shall certify that the certificate of deposit balance does not exceed the loan balance.

4.4(10) A certificate of deposit for the purposes of the LIFT program shall not be subject to a penalty for early withdrawal or to any other terms and conditions that a financial institution may otherwise place upon a certificate of deposit.