

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1852

By: Representative Love

For An Act To Be Entitled

AN ACT CONCERNING THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY; TO ALLOW FOR THE CREATION OF THE ARKANSAS CREDIT RESERVE PROGRAM; TO ALLOW FOR ALTERNATIVE METHODS OF PAYING FEES UNDER THE ARKANSAS CAPITAL ACCESS PROGRAM FOR SMALL BUSINESS; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW FOR THE CREATION OF THE ARKANSAS CREDIT RESERVE PROGRAM; AND TO ALLOW FOR ALTERNATIVE METHODS OF PAYING FEES UNDER THE ARKANSAS CAPITAL ACCESS PROGRAM FOR SMALL BUSINESS.

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

SECTION 1. Arkansas Code § 15-5-207(b), concerning the powers of the Arkansas Development Finance Authority, is amended to add an additional subdivision to read as follows:

(34)(A) To establish and operate an Arkansas Credit Reserve Program for the purpose of increasing the availability of credit to small businesses in Arkansas.

(B) The authority shall design the Arkansas Credit Reserve Program to be similar to the Arkansas Capital Access Program for Small Business established under the Arkansas Capital Access Program for Small Business Act of 1993, § 15-5-1101 et seq.



SECTION 2. Arkansas Code § 15-5-1107(b), concerning the applicable fees for enrollment of a qualified loan in the Arkansas Capital Access Program for Small Business, is amended to read as follows:

(b)(1) When making a qualified loan that will be enrolled under the program, the financial institution shall require the qualified business to which the loan is made to pay a fee of not less than one and one-half percent (1.5%) of the principal amount of the loan but not more than three and one-half percent (3.5%) of the principal amount.

(2)(A) The financial institution shall also pay a fee in an amount equal to the fee paid by the borrower.

(B) However, the financial institution may collect the amount of its fee from the qualified borrower.

(3) A qualified business may pay the fees required under this subsection using sources other than sources of the qualified business.

~~(3)~~ (4) The financial institution shall deliver the fees collected under this subsection to the authority for deposit ~~in~~ into the loss reserve account for the institution.