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A BILL FOR AN ACT

To further amend Public Law No. 14-104, as amended by Public Laws Nos. 15-01 and 15-04, by adding new section 14 for the purpose of forgiving the remaining balance of the recovery loan assistance extended to Kosrae State, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1           Section 1. Purpose. The purpose of this act is to  
2 absolve Kosrae State from repayment of the loan provided them  
3 by the National Government in 2006. Through Public Law No.  
4 14-104, the National Government provided loan assistance to  
5 Kosrae State in the amount of \$1,500,000 to alleviate the  
6 financial crisis the state was then facing. The balance  
7 currently outstanding is \$1,310,000. Due to the current  
8 financial position of the State of Kosrae, it is prudent the  
9 National Government extend further assistance by forgiving the  
10 loan balance of \$1,310,000.

11           Section 2. Public Law No. 14-104, as amended by Public  
12 Laws Nos. 15-01 and 15-04, is hereby further amended by adding  
13 a new section 14 to read as follows:

14                   "Section 14. The balance of the loan assistance  
15                   provided to Kosrae State through Public Law No.  
16                   14-104, as amended by Public Laws Nos. 15-01 and  
17                   15-04, is hereby forgiven; the State of Kosrae is  
18                   hereby absolved from its remaining obligations  
19                   under the loan agreement entered into pursuant to

