
A BILL FOR AN ACT

To further amend title 30 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-124, by adding a new section 139 to establish a maximum permissible interest rate to be charged by the Federated States of Micronesia Development Bank and to prohibit certain lending requirements for FSM Development Bank Bank loans, and for other purposes.

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

1 Section 1. Title 30 of the Code of the Federated States of
2 Micronesia (Annotated), as amended by Public Law No. 18-124, is
3 hereby further amended by adding a new section 139 to read as
4 follows:

5 "Section 139. Interest Rate.

6 (1) Notwithstanding any provision of title 34, as
7 amended, the rate of interest charged by the FSM
8 Development Bank for any loan shall not exceed seven
9 percent per annum.

10 (2) The Bank shall not, either as a condition for
11 making a loan or as collateral or security for a
12 loan, require that the borrower establish, maintain
13 or make deposits to any checking, savings or other
14 cash equity or liquid account held with any bank
15 which has the effect of increasing periodic payments
16 in excess of those required by the loan for payment
17 of interest and principal."

