

SECOND REGULAR SESSION

# HOUSE BILL NO. 1238

## 92ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES MUNZLINGER (Sponsor), SMITH (118), KING, MAY, GUEST, QUINN, BEHNEN, MYERS, HOBBS, BEAN, SANDER AND SHOEMAKER (Co-sponsors).

Read 1<sup>st</sup> time January 22, 2004, and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4099L.011

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### AN ACT

To repeal section 348.406, RSMo, and to enact in lieu thereof one new section relating to new generation cooperatives.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 348.406, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 348.406, to read as follows:

2 348.406. 1. The authority, upon application, may issue certificates of guaranty covering  
2 a first loss guarantee up to but not more than [twenty-five] **fifty** percent of the loan on a declining  
3 principal basis for loans to eligible borrowers, executing a note or other evidence of a loan made  
4 for the purpose of an agricultural business development loan, but not to exceed the amount of  
5 two hundred fifty thousand dollars for any eligible borrower and to pay from the fund to an  
6 eligible lender up to [twenty-five] **fifty** percent of the amount on a declining principal basis of  
7 any loss on any guaranteed loan made pursuant to the provisions of sections 348.400 to 348.415,  
8 in the event of default on the loan. Upon payment on the guarantee, the authority shall be  
9 subrogated to all the rights of the eligible lender.

10 2. The authority shall charge for each guaranteed loan a one-time participation fee of one  
11 percent which shall be collected by the eligible lender at the time of closing and paid to the  
12 authority. In addition, the authority may charge a special loan guarantee fee of up to one percent  
13 per annum of the outstanding principal which shall be collected from the eligible borrower by  
14 the eligible lender and paid to the authority.

15 3. All moneys paid to satisfy a defaulted guaranteed loan shall only be paid out of the

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

16 fund.

17           4. The total outstanding guaranteed loans shall at no time exceed an amount which,  
18 according to sound actuarial judgment, would allow immediate redemption of [forty] **twenty**  
19 percent of the outstanding loans guaranteed by the fund at any one time.