

HCS HB 2400 -- LINKED DEPOSIT LOAN PROGRAM

SPONSOR: Cunningham

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 12 to 0.

This substitute changes the laws regarding the Linked Deposit Loan Program by allowing an eligible homeowner purchasing a single-family dwelling to receive a linked deposit loan for the down payment on the home in an amount of up to 10% of the purchase price of the home, not to exceed \$10,000.

The State Treasurer is authorized up to an additional \$25 million to be utilized for these loans. Any eligible lending institution making a home loan cannot sell the loan and will receive a net income deduction on any interest earned. The homeowner must repay the loan within five years.

FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of \$0 to a cost of Unknown in FY 2011, FY 2012, and FY 2013. No impact on Other State Funds in FY 2011, FY 2012, and FY 2013.

PROPONENTS: Supporters say that the bill will help individuals get low-interest down payments for purchasing new homes through the Linked Deposit Loan Program which will help economic development.

Testifying for the bill were Representative Cunningham; Missouri Bankers Association; and Office of the State Treasurer.

OPPONENTS: There was no opposition voiced to the committee.