

A BILL FOR AN ACT

To authorize the Governor, on behalf of the State of Kosrae, to borrow from the National Government of the Federated States of Micronesia; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE:

1 Section 1. Authorization In order for the State of Kosrae to receive
2 emergency loan funding from the National Government of the FSM, the Governor of the
3 State of Kosrae is hereby authorized to borrow money from the Federated States of
4 Micronesia and to execute on behalf of the State of Kosrae a loan agreement between the
5 Federated States of Micronesia and the State of Kosrae.

6 Section 2. Amount. The amounts borrowed will be those amounts
7 authorized and made available by the Congress for the loan to Kosrae.

8 Section 3. Terms. The anticipated terms are for a loan that will be
9 interest free with a two year grace period for repayment. The Governor is specifically
10 authorized to agree to any additional terms that he deems to be fair and just.

11 Section 4. Use of Proceeds. The proceeds of the loan shall be used as set
12 forth by the terms of the National legislation or terms of the loan agreement.

13 Section 5. Effective Date. This act takes effect upon the approval of the
14 Governor or upon its becoming law without such approval.

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18 Date: _____

Introduced By: _____

Floor Leader Phillip (By Request)