

BILL ANALYSIS

Senate Research Center

H.B. 3065
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Natural Resources
5-4-97
Engrossed

DIGEST

Currently, the Linked Deposit Program is an "interest buy-down" program between a borrower and a lending institution. Under current law, a bank that employs a Texas Agricultural Finance Authority (TAFA) appointee could be prohibited from participating in the Linked Deposit Program. Because the banks that participate in the Linked Deposit Program are located in rural areas, it is possible that a bank's lending practices could be limited, and otherwise eligible borrowers in the region served by the bank could be prohibited from having access to the low-interest loans offered by the Linked Deposit Program. H.B. 3065 would enable banks and lending institutions to continue to participate in the Linked Deposit Program, even if they have an officer, director, or employee who has been appointed to serve as a board member of the TAFA.

PURPOSE

As proposed, H.B. 3065 outlines provisions regarding the eligibility of lending institutions to participate in the linked deposit program established in the Department of Agriculture.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 44.007, Agriculture Code, by adding Subsection (k), to provide that a lending institution is not ineligible to participate in the linked deposit program solely because a member of the board is also an officer, director, or employee of the lending institution.

SECTION 2. Emergency clause.
Effective date: upon passage.