

1.1 moves to amend H.F. No. 319 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **FEDERAL EMPLOYEE PERSONAL LOAN GUARANTEE PROGRAM.**

1.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
1.5 the meanings given.

1.6 (b) "Affected employee" means a federal employee who during the shutdown is:

1.7 (1) a resident of this state; and

1.8 (2) furloughed from federal employment without pay or is required to work as a federal
1.9 employee without pay.

1.10 (c) "Commissioner" means the commissioner of employment and economic development.

1.11 (d) "Federal employee personal loan guarantee program" or "program" is the program
1.12 created under this section to guarantee personal loans to affected employees.

1.13 (e) "Financial institution" means a bank, bank and trust, or credit union, organized under
1.14 the laws of this state, any other state, or the United States.

1.15 (f) "Grace period" means either:

1.16 (1) the 90-day period after an affected employee's federal agency is funded and the
1.17 shutdown ends; or

1.18 (2) the 150-day period after the date of origination of the loan.

1.19 (g) "Loan guarantee" means a guarantee of 100 percent of the amount of a personal loan.

1.20 (h) "Personal loan" means an unsecured loan made by a financial institution to an affected
1.21 employee that complies with the requirements of this section.

2.1 (i) "Shutdown" means a full or partial shutdown of the federal government occurring
2.2 during calendar year 2019.

2.3 Subd. 2. **Loan guarantee program.** A program to support affected employees by
2.4 providing guaranteed personal loans is created in the Department of Employment and
2.5 Economic Development. The commissioner shall administer the federal employee personal
2.6 loan guarantee program in accordance with this section.

2.7 Subd. 3. **Duties of commissioner.** (a) The commissioner must approve or disapprove
2.8 an application from a financial institution to participate in the program within one day of
2.9 receiving the application.

2.10 (b) The commissioner must keep administrative records regarding the program.

2.11 (c) The commissioner must review requests for payments of claims against loan
2.12 guarantees under subdivision 4 and disallow any claims against guarantees that do not
2.13 comply with the requirements of this section.

2.14 (d) The commissioner must pay claims against loan guarantees that comply with this
2.15 section from the federal employee personal loan guarantee program account in the special
2.16 revenue fund created in subdivision 6.

2.17 (e) The commissioner must cease accepting personal loan information from financial
2.18 institutions the day after the shutdown ends.

2.19 (f) The commissioner must cease accepting applications and approving claims for loan
2.20 guarantees if the number of claims against loan guarantees exceeds ten percent of the total
2.21 number of personal loans issued. The commissioner must inform financial institutions that
2.22 have applied to the programs within two days of ceasing to accept applications or approve
2.23 claims under this paragraph.

2.24 (g) The commissioner must wind-down and terminate operation of the program by July
2.25 31, 2021.

2.26 Subd. 4. **Financial institutions.** (a) A financial institution may apply to the commissioner
2.27 to participate in the program. Upon approval by the commissioner, a financial institution
2.28 may make personal loans and claims against loan guarantees.

2.29 (b) In order to participate in the program, a financial institution must be in good standing,
2.30 meaning it is not subject to:

2.31 (1) a formal agreement with the Office of the Comptroller of the Currency;

3.1 (2) a consent order or cease and desist order issued by the Federal Deposit Insurance
3.2 Corporation;

3.3 (3) a consent order or cease and desist order from the commissioner of commerce;

3.4 (4) a letter of understanding and agreement or consent order issued by the National
3.5 Credit Union Administration; or

3.6 (5) a finding by the commissioner that the financial institution has failed to comply with
3.7 any requirement of this section.

3.8 (c) A financial institution must document a personal loan with the following information:

3.9 (1) evidence of the affected employee's employment status, income, and residence; and

3.10 (2) the amount of unemployment compensation benefits the affected employee has
3.11 received or is eligible to receive during the shutdown.

3.12 (d) A financial institution must notify the commissioner within one day of making a
3.13 personal loan. This notification must be in a form and manner acceptable to the commissioner.

3.14 (e) A financial institution must provide an affected employee with information regarding
3.15 credit counseling services offered by the financial institution or nonprofit credit counselors.

3.16 (f) If a financial institution has made a good-faith effort to collect on a personal loan,
3.17 180 days after the grace period has concluded, the financial institution may submit a claim
3.18 against a loan guarantee to the commissioner.

3.19 (g) The commissioner shall prepare a form for financial institutions to use in making
3.20 claims against loan guarantees. The form shall include the following information:

3.21 (1) the name and contact information of the financial institution, including the name and
3.22 title of a contact person;

3.23 (2) evidence that the financial institution's efforts to collect the personal loan have been
3.24 in accordance with the financial institution's collection policies;

3.25 (3) the amount of the personal loan provided to the affected employee; and

3.26 (4) the amount of the claim against the loan guarantee that is being requested from the
3.27 program.

3.28 Subd. 5. **Personal loan; terms.** (a) A personal loan shall:

3.29 (1) not require an affected employee to repay in part or in full the personal loan earlier
3.30 than the end of the grace period;

4.1 (2) not require an affected employee to repay the loan in full earlier than 180 days after
4.2 the end of the grace period;

4.3 (3) allow an affected employee to repay the personal loan in equal installments of no
4.4 less than three and no more than six;

4.5 (4) not charge interest on the principal until after the grace period or charge fees until
4.6 180 days after the grace period;

4.7 (5) not have any penalties for prepayment; and

4.8 (6) specify the grace period under subdivision 1, paragraph (f), that applies to the loan.

4.9 (b) A loan to an affected employee must not exceed the lesser of:

4.10 (1) \$5,000;

4.11 (2) the affected employee's most recent monthly net pay; or

4.12 (3) four times the amount the affected employee has reported to the financial institution
4.13 in weekly unemployment compensation benefits that the employee has received or is eligible
4.14 to receive.

4.15 (c) An affected employee is eligible for an additional personal loan for each 30-day
4.16 period that the shutdown continues. An affected employee may have up to three personal
4.17 loans.

4.18 Subd. 6. **Creation of account.** There is created in the special revenue fund the federal
4.19 employee personal loan guarantee program account. Money in this account is appropriated
4.20 to the commissioner of employment and economic development for the commissioner's
4.21 duties under subdivision 3.

4.22 Sec. 2. **FEDERAL EMPLOYEE PERSONAL LOAN GUARANTEE PROGRAM;**
4.23 **TRANSFER.**

4.24 \$2,500,000 for fiscal year 2019 is transferred from the general fund to the commissioner
4.25 of employment and economic development for deposit in the federal employee personal
4.26 loan guarantee program account in the special revenue fund. This is a onetime transfer. Any
4.27 amount remaining in the account as of August 1, 2021, shall be transferred to the general
4.28 fund.

4.29 Sec. 3. **EFFECTIVE DATE.**

4.30 Sections 1 to 3 are effective the day following final enactment."

5.1 Amend the title accordingly