

**Rules of
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Title 15—ELECTED OFFICIALS**Division 50—Treasurer****Chapter 2—Linked Deposit Program****15 CSR 50-2.050 Interest Rate on Linked Deposit Loans and Loan Categories**

PURPOSE: This rule establishes the procedure to be used to set the interest rate on loan categories under the Linked Deposit Program and the maximum interest rate on loans in those categories.

(1) The interest rate on loan categories under the Linked Deposit Program shall be equal to the prime rate, as published in the *Wall Street Journal*, on the first business day of any given week, plus one and a half percent (1.50%). This rate shall apply to the following linked deposit loan categories: Agri-Business, Beginning Farmer (if loan is less than one hundred thousand dollars (\$100,000)), Farming Operation, Livestock Operation, Marketing Operation, Small Business, Student Borrower, and Water Supply System.

(2) The treasurer's office will advise financial institutions of the applicable category loan rate upon request and at the time a deposit offer is made under the program.

(3) The treasurer's office will monitor interest rate markets and adjust the interest rates for each respective loan category upon changes in the prime lending rate.

(4) The interest rate on the linked deposit loan made to a borrower in any of the categories listed in section (1) above, shall be no greater than seventy-five percent (75%) of the interest rate established in section (1) above. Upon placement of a loan, the interest rate for the loan shall remain fixed for a period of one (1) year; except, if it so provides in the loan agreement, the lending financial institution may increase the interest rate on the loan, up to the category rate established by the treasurer, if the treasurer determines that the borrower has not complied with the law relating to the Linked Deposit Program and, as a result, the treasurer has received the full market interest rate on the deposit from the financial institution.

(5) In a linked deposit loan application made for a Job Enhancement Business and Beginning Farmer (if loan is one hundred thousand dollars (\$100,000) or more), the lending financial institution shall certify the present market borrowing rate applicable on a one (1) year fixed rate loan to the borrower. The lending financial institution shall also certify

the interest rate on the loan to be made to the borrowing Job Enhancement Business under the Linked Deposit Program, but the interest rate on the loan shall be no greater than seventy percent (70%) of the certified market rate. The loan rate must be approved by the state treasurer and, upon placement of the linked deposit, the loan rate shall remain fixed for a period of one (1) year, subject to adjustment under the terms and conditions described in section (4), above.

(6) In a linked deposit loan application made for a residential property developer or a residential property owner, the lending financial institution shall certify the present market borrowing rate applicable on a three (3) year fixed rate loan to that borrower. The lending financial institution shall also certify the interest rate on the loan to be made to the residential property developer or residential property owner under the Linked Deposit Program, but the interest rate on the loan shall be no greater than seventy-five percent (75%) of the certified market rate for a loan up to one hundred thousand dollars (\$100,000), nor greater than seventy percent (70%) of the certified market rate for a loan of one hundred thousand dollars (\$100,000) or more. The loan rate must be approved by the state treasurer and, upon placement of the linked deposit, the loan rate shall remain fixed for a period of up to three (3) years, subject to adjustment under the terms and conditions described in section (4), above.

*AUTHORITY: sections 30.260 and 30.760, RSMo 2000. * Emergency rule filed March 7, 1986, effective March 27, 1986, expired July 14, 1986. Original rule filed June 26, 1986, effective Oct. 15, 1986. Emergency amendment filed June 26, 1986, effective July 6, 1986, expired Nov. 3, 1986. Emergency amendment filed Sept. 17, 1993, effective Sept. 27, 1993, expired Jan. 25, 1994. Emergency amendment filed Jan. 19, 1994, effective Jan. 29, 1994, expired May 28, 1994. Emergency amendment filed Jan. 23, 1995, effective Feb. 2, 1995, expired June 1, 1995. Amended: Filed Jan. 23, 1995, effective June 30, 1995. Amended: Filed Nov. 2, 2001, effective May 30, 2002.*

**Original authority: 30.260 1939, RSMo, amended 1945, 1957, 1973, 1977, 1983, 1986, 1988, 1997 and 30.760, RSMo 1986, amended 1987, 1988, 1989, 1991, 1992, 1993.*