

Financial Institutions and Consumer Finance

H.B. 405

Primary Sponsor: Rep. Cross

Effective date: March 31, 2021

- Establishes the Adoption Linked Deposit Program to provide lower-cost loans to individuals who are adopting a child to pay for adoption expenses.
- Requires the Treasurer of State to take all steps necessary to implement the program and monitor lending institutions' and borrowers' compliance with the program.
- Requires a lending institution that would like to receive an adoption linked deposit to accept and review loan applications using the usual lending standards to determine the applicant's creditworthiness.
- Requires the lending institution to send loan packages to the Treasurer for approval, and requires the Treasurer to accept or reject the loan package based on an evaluation of each borrower and the amount of state funds to be placed with the lending institution.
- Permits the Treasurer to determine the maturity of the financial instrument that constitutes the adoption linked deposit, but maturity cannot exceed ten years, renewed in five-year cycles.
- Requires the lending institution to certify with the Treasurer that once an adoption linked deposit has been placed, the institution will lend the funds to each approved borrower listed in the loan package in accordance with the deposit agreement.
- Requires the Treasurer to file an annual report with the Governor, the Speaker of the House, and the Senate President regarding the program.

