

§1100-KK. Loan guarantee

1. Claims. No sooner than the 180th day following the end of the grace period and no later than the 300th day following the end of the grace period, an eligible financial institution that has made a good faith effort to collect the outstanding principal of a loan issued pursuant to section 1100-JJ and has been unsuccessful may make a claim to the authority for recovery of an amount equal to the outstanding principal of that loan.

An eligible financial institution shall demonstrate to the satisfaction of the authority that the eligible financial institution has made a good faith effort to collect the outstanding principal from the eligible affected employee in accordance with the eligible financial institution's loan servicing and collection policies and has been unsuccessful.

[PL 2025, c. 494, §2 (NEW).]

2. Loan guarantee payment. The authority, upon receipt of a properly documented claim submitted by an eligible financial institution pursuant to subsection 1, shall submit the claim immediately to the Treasurer of State for payment. The Treasurer of State immediately shall pay to the authority from the Government Shutdown Loan Guarantee Program Fund, established in Title 5, section 160, any claims submitted by the authority pursuant to the program. The authority shall distribute the loan guarantee payment to the eligible financial institution.

[PL 2025, c. 494, §2 (NEW).]

3. Effect of payment of claim. After payment of a loan guarantee payment to an eligible financial institution pursuant to subsection 2:

A. The loan must be assigned by the eligible financial institution to the authority on behalf of the State; and [PL 2025, c. 494, §2 (NEW).]

B. The duty of the authority to continue collection efforts on the loan pursuant to section 1100-LL, subsection 4 applies. [PL 2025, c. 494, §2 (NEW).]

[PL 2025, c. 494, §2 (NEW).]

SECTION HISTORY

PL 2025, c. 494, §2 (NEW).

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