

STATE TREASURER'S OFFICE  
ADMINISTRATIVE CODECHAPTER 892-1-1  
THE LINKED DEPOSIT PROGRAM

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892-1-1-.01	<u>Second Deposits In Support Of Small Businesses.</u>

A lending institution shall be restricted to a one-time participation in the small business portion of the Linked Deposit Program. Participation in the program should not exceed two years.

(1) A lending institution shall not request a renewal of an existing small business Linked Deposit at the end of the two-year term of such deposit.

(2) A lending institution can request an adjustment of the initial deposit by requesting an increase in that deposit. All statutory requirements must be met as if the original and additional amount were one and the same deposit. The rate for the additional amount shall be based on the prevailing market rate as of the time of the additional deposit.

(3) A lending institution shall not submit more than one request for the same corporation, partnership or proprietorship. In the case of a franchise business where multiple outlets are involved, only one deposit would be available for the franchise business.

**Author:** Lucy Baxley

**Statutory Authority:** Code of Ala. 1975, §§5-21-5(b), 5-21-7, 5-21-9.

**History: New Rule:** Filed February 21, 1996; effective March 27, 1996.

**892-1-1-.02      Collection Of Interest For Small Business Deposits.**

The Treasurer shall collect interest from the lending institutions on a monthly basis.

(1) The Treasurer shall collect interest on deposits by (Automated Clearing House) ACH transaction on the last day of each month. Interest shall be calculated on a 30/360 day basis.

**Author:** Lucy Baxley

**Statutory Authority:** Code of Ala. 1975, §§5-21-7, 5-21-9.

**History: New Rule:** Filed February 21, 1996; effective March 27, 1996.

**892-1-1-.03      Collection Of Principal For Small Business Deposits.**

The Treasurer shall collect principal payments quarterly.

(1) Principal reductions shall be reported to the Treasurer by method of quarterly statement. Interest is calculated on a 30/360 day basis and shall be reported no later than the 25th. The Treasurer shall collect principal reductions by (Automated Clearing House) ACH transaction on the last day of the month of the calendar quarter.

**Author:** Lucy Baxley

**Statutory Authority:** Code of Ala. 1975, §§5-21-7, 5-21-9.

**History: New Rule:** Filed February 21, 1996; effective March 27, 1996.

**892-1-1-.04      Collection Of Prepayments For Agricultural Linked Deposits.**

Lending institutions shall remit principal reductions and accrued interest due on agricultural deposits during the month in which the prepayment occurs.

(1) Principal and interest is due at maturity if no prepayment is reported. Interest is calculated on a 30/360 day basis and shall be reported no later than the 25th and collected by (Automated Clearing House) ACH transaction on the last day of the month in which the deposit matures.

**Author:** Lucy Baxley

**Statutory Authority:** Code of Ala. 1975, §§5-21-7, 5-21-9.

**History: New Rule:** Filed February 21, 1996; effective March 27, 1996.

892-1-1-.05

**Linked Deposit Funds Limited To Businesses  
Operated For General Public.**

Any business operated for the purpose of providing services or products which are not available to the general public shall not be eligible to receive a subsidized interest rate through the Linked Deposit Program.

**Author:** Lucy Baxley

**Statutory Authority:** Code of Ala. 1975, §§5-21-7, 5-21-9.

**History: New Rule:** Filed February 21, 1996; effective March 27, 1996.