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SENATE BILL 5883

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State of Washington

61st Legislature

2009 Regular Session

By Senator Kline

Read first time 02/05/09. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to the linked deposit program; creating new  
2 sections; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that the linked  
5 deposit program is not accessible to many certified small businesses  
6 that the program was created to serve. The legislature further finds  
7 that the increased involvement of community development financial  
8 institutions in the linked deposit program could increase the  
9 participation of these small businesses. The legislature intends that  
10 the office of minority and women's business enterprises report to the  
11 legislature with an analysis of barriers faced by certified small  
12 businesses that are currently not able to participate in the linked  
13 deposit program and make recommendations on how to overcome those  
14 barriers.

15 NEW SECTION. **Sec. 2.** By December 1, 2009, the office of minority  
16 and women's business enterprises shall, within existing resources,  
17 submit a report with recommendations to the legislature that addresses  
18 the following issues:

- 1           (1) The availability of sources of capital for certified borrowers,  
2 including the amounts and interest rates for that capital;
- 3           (2) The loans that are not being funded for certified borrowers  
4 under the current program and why those loans are not being funded;
- 5           (3) The availability of other sources of capital in the marketplace  
6 for those nonfunded loans of certified borrowers, including the amounts  
7 and interest rates for that capital;
- 8           (4) Whether there are other institutions that may be willing to  
9 make those loans that are currently not being made to certified  
10 borrowers under the program;
- 11           (5) Whether the program could be modified to encourage lenders to  
12 make those loans that are not currently being made to certified  
13 borrowers and whether the cost of those loans would be a barrier;
- 14           (6) A review of how other states seek to increase access to capital  
15 for borrowers that traditionally lack access to capital; and
- 16           (7) The role community development financial institutions could  
17 play in mitigating the cost of lending to certified borrowers who are  
18 not currently being served by the program.

19           NEW SECTION.   **Sec. 3.** This act expires July 1, 2010.

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