

By: Representative Denny

To: Banking and Financial
Services; Appropriations

HOUSE BILL NO. 996

1 AN ACT TO CREATE THE STATE BANK OF MISSISSIPPI FOR THE
2 PURPOSE OF ENCOURAGING AND PROMOTING AGRICULTURE, COMMERCE AND
3 INDUSTRY IN THE STATE; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT
4 AUTHORITY SHALL OPERATE, MANAGE AND CONTROL THE STATE BANK; TO
5 PROVIDE THAT THE BUSINESS AND FINANCIAL TRANSACTIONS OF THE STATE
6 BANK MAY INCLUDE ANYTHING THAT ANY BANK OR BANK HOLDING COMPANY
7 LAWFULLY MAY DO; TO PROVIDE THAT THE GOVERNOR SHALL APPOINT AN
8 ADVISORY BOARD OF DIRECTORS TO THE STATE BANK TO ENLIST THE HELP
9 OF PRIVATE ENTERPRISE AND TO ENCOURAGE MORE ACTIVE USE OF THE
10 PURPOSES FOR WHICH THE STATE BANK WAS CREATED; TO PRESCRIBE THE
11 POWERS OF THE ADVISORY BOARD OF DIRECTORS; TO PROVIDE THAT THE
12 MISSISSIPPI DEVELOPMENT AUTHORITY SHALL APPOINT A PRESIDENT OF THE
13 STATE BANK AND MAY APPOINT AND EMPLOY ANY SUBORDINATE OFFICERS,
14 EMPLOYEES, AND AGENTS AND FIX THE COMPENSATION OF THOSE PERSONS;
15 TO PROVIDE THAT ALL STATE FUNDS AND FUNDS OF ALL EDUCATIONAL
16 INSTITUTIONS MUST BE DEPOSITED IN THE STATE BANK; TO PROVIDE THAT
17 ALL DEPOSITS IN THE STATE BANK ARE GUARANTEED BY THE STATE; TO
18 PROVIDE THAT THOSE DEPOSITS ARE EXEMPT FROM ALL STATE, COUNTY AND
19 MUNICIPAL TAXES; TO PROVIDE THAT THE STATE BANK MAY PERFORM THE
20 FUNCTIONS AND RENDER THE SERVICES OF A CLEARINGHOUSE FOR BANKS
21 THAT MAKE THE STATE BANK A RESERVE DEPOSITARY; TO PRESCRIBE THE
22 POWERS OF THE STATE BANK; TO AUTHORIZE THE STATE TREASURER AND THE
23 STATE FISCAL OFFICER TO ISSUE ON BEHALF OF THE STATE EVIDENCES OF
24 INDEBTEDNESS ON THE STATE GENERAL FUND WHEN THE BALANCE IN THE
25 STATE GENERAL FUND IS INSUFFICIENT TO MEET LEGISLATIVE
26 APPROPRIATIONS; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY
27 TO DIRECT THE STATE BANK TO MAKE LOANS TO THE STATE GENERAL FUND
28 BY THE PURCHASE OF THE EVIDENCES OF INDEBTEDNESS; TO PROVIDE THAT
29 THE STATE BANK SHALL MAINTAIN A REVOLVING LOAN FUND FOR THE
30 PURPOSE OF MAKING OR PARTICIPATING IN LOANS TO MISSISSIPPI
31 BEGINNING FARMERS FOR THE PURCHASE OF AGRICULTURAL REAL ESTATE,
32 EQUIPMENT AND LIVESTOCK; TO PROVIDE THAT THE STATE AUDITOR SHALL
33 CONTRACT WITH AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM FOR
34 AN ANNUAL AUDIT OF THE STATE BANK, AND THE STATE AUDITOR SHALL
35 AUDIT ANNUALLY OR CONTRACT FOR AN ANNUAL AUDIT OF THE SEPARATE
36 PROGRAMS AND FUNDS ADMINISTERED BY THE STATE BANK; TO AUTHORIZE
37 THE STATE BANK TO ESTABLISH A SYSTEM TO PROVIDE FUND TRANSFER
38 SERVICES TO ITS CUSTOMERS AND TO THE CUSTOMERS OF STATE-CHARTERED
39 AND FEDERALLY CHARTERED BANKS LOCATED WITHIN THE STATE OF
40 MISSISSIPPI AND TO OTHER FINANCIAL INSTITUTIONS OTHERWISE
41 AUTHORIZED TO USE THE SERVICES OF ELECTRONIC FUND TRANSFER
42 SYSTEMS; TO PROVIDE THAT CERTAIN RECORDS OF THE STATE BANK ARE
43 CONFIDENTIAL; TO PROVIDE THAT THE STATE BANK SHALL REPLACE THE
44 STATE TREASURER AS THE CUSTODIAN OF ALL SECURITIES THAT ARE
45 REQUIRED TO BE DEPOSITED WITH THE STATE OTHER THAN SECURITIES
46 RESULTING FROM THE INVESTMENT OF FUNDS BY THE STATE TREASURER; TO



47 ESTABLISH THE HEALTH INFORMATION TECHNOLOGY LOAN FUND AS A
48 REVOLVING LOAN FUND IN THE STATE BANK FOR THE PURPOSE OF PROVIDING
49 LOANS TO HEALTH CARE PROVIDERS TO PURCHASE AND UPGRADE ELECTRONIC
50 HEALTH RECORD TECHNOLOGY, TRAIN PERSONNEL IN ITS USE, AND IMPROVE
51 SECURITY OF INFORMATION EXCHANGE; TO ESTABLISH THE HEALTH
52 INFORMATION TECHNOLOGY PLANNING LOAN FUND AS A REVOLVING LOAN FUND
53 IN THE STATE BANK FOR THE PURPOSE OF PROVIDING LOW-INTEREST LOANS
54 TO HEALTH CARE ENTITIES TO ASSIST THOSE ENTITIES IN IMPROVING
55 HEALTH INFORMATION TECHNOLOGY INFRASTRUCTURE; TO AUTHORIZE THE
56 STATE BANK TO ESTABLISH A RESIDENTIAL MORTGAGE LOAN PROGRAM UNDER
57 WHICH THE BANK MAY ORIGINATE RESIDENTIAL MORTGAGES IF PRIVATE
58 SECTOR MORTGAGE LOAN SERVICES ARE NOT REASONABLY AVAILABLE; AND
59 FOR RELATED PURPOSES.

60 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

61 **SECTION 1.** For the purpose of encouraging and promoting
62 agriculture, commerce and industry, the State of Mississippi shall
63 engage in the business of banking, and for that purpose shall
64 maintain a system of banking owned, controlled and operated by it,
65 under the name of the State Bank of Mississippi ("the Bank").

66 **SECTION 2.** The Mississippi Development Authority shall
67 operate, manage and control the State Bank of Mississippi, locate
68 and maintain its places of business, of which the principal place
69 must be within the State of Mississippi, and make and enforce
70 orders, rules, regulations, and bylaws for the transaction of its
71 business. The business and financial transactions of the Bank, in
72 addition to other matters specified in this act, may include
73 anything that any bank or bank holding company lawfully may do,
74 except as it is restricted by the provisions of this act. This
75 provision may not be held in any way to limit or qualify either
76 the powers of the Mississippi Development Authority granted by
77 this act or the functions of the Bank as defined in this act. The
78 powers of the Mississippi Development Authority and the functions
79 of the Bank must be implemented through actions taken and policies
80 adopted by the Mississippi Development Authority.

81 **SECTION 3.** To enlist the help of private enterprise and to
82 encourage more active use of the purposes for which the State Bank
83 of Mississippi was created, the Governor shall appoint an advisory
84 board of directors to the Bank consisting of seven (7) persons, at



85 least two (2) of whom must be officers of banks, the majority of
86 the stock of which is owned by Mississippi residents, and at least
87 one (1) of whom must be an officer of a state-chartered or
88 federally chartered financial institution. The Governor shall
89 appoint a chairman, vice chairman and secretary from the advisory
90 board of directors. The term of a director is four (4) years.
91 The Mississippi Development Authority shall define the duties of
92 the advisory board of directors.

93 **SECTION 4.** The advisory board of directors to the State Bank
94 of Mississippi shall:

95 (a) Meet regularly with the management of the Bank to
96 review the Bank's operations to determine whether recommendations
97 should be made by the board to the Mississippi Development
98 Authority relating to improved management performance, better
99 customer service, and overall improvement in internal methods,
100 procedures, and operating policies of the Bank.

101 (b) Make recommendations to the Mississippi Development
102 Authority relating to the establishment of additional objectives
103 for the operation of the Bank.

104 (c) Make recommendations to the Mississippi Development
105 Authority concerning the appointment of officers of the Bank.

106 (d) Meet regularly with the Executive Director of the
107 Mississippi Development Authority to present any recommendations
108 concerning the Bank.

109 (e) In addition to the foregoing and under
110 authorization from the Mississippi Development Authority, act on
111 behalf of the Bank with respect to the powers and functions of the
112 Bank.

113 **SECTION 5.** The Mississippi Development Authority shall
114 appoint a president of the Bank, and may appoint and employ any
115 subordinate officers, employees, and agents as it may judge
116 expedient and in the interests of the state, and shall define the
117 duties, designate the titles, and fix the compensation of all of



118 those persons. The Mississippi Development Authority may
119 designate the president or other officers or employees of the Bank
120 as its agent in respect to the functions of the Bank, subject to
121 its supervision, limitation, and control. The total compensation
122 of those appointees and employees, together with other
123 expenditures for the operation and maintenance of the Bank, shall
124 remain within the amount of funds appropriated by the Legislature,
125 and other revenues or capital lawfully available to the Bank or
126 the Mississippi Development Authority for those purposes.

127 **SECTION 6.** The Mississippi Development Authority may remove
128 and discharge any and all persons appointed in the exercise of the
129 powers granted by this act, whether by the Mississippi Development
130 Authority or by the president of the Bank. All appointments and
131 removals contemplated by this act must be made as the Mississippi
132 Development Authority deems fit to promote the efficiency of the
133 public service.

134 **SECTION 7.** All state funds and funds of all educational
135 institutions must be deposited in the State Bank of Mississippi by
136 the persons having control of those funds or must be deposited in
137 accordance with constitutional and statutory provisions. All
138 income earned by the Bank for its own account on state monies that
139 are deposited in or invested with the Bank to the credit of the
140 state must be credited to and become a part of the revenues and
141 income of the Bank.

142 **SECTION 8.** Whenever any of the public funds designated in
143 Section 7 of this act are deposited in the State Bank of
144 Mississippi as provided in Section 7 of this act, the official
145 having control of those funds and the sureties on the bond of
146 every such official shall be exempt from all liability by reason
147 of loss of any of those funds while so deposited.

148 **SECTION 9.** All deposits in the State Bank of Mississippi are
149 guaranteed by the state. Those deposits are exempt from state,
150 county, and municipal taxes of any and all kinds.



151 **SECTION 10.** For banks that make the State Bank of
152 Mississippi a reserve depository, it may perform the functions and
153 render the services of a clearinghouse, including all facilities
154 for providing domestic and foreign exchange, and may rediscount
155 paper, on any terms that the Mississippi Development Authority
156 provides.

157 **SECTION 11.** The State Bank of Mississippi may:

158 (a) Make, purchase, guarantee or hold loans:

159 (i) To state-chartered or federally chartered
160 lending agencies or institutions or any other financial
161 institutions.

162 (ii) To holders of State Bank of Mississippi
163 certificates of deposit and savings accounts up to ninety percent
164 (90%) of the value of the certificates and savings accounts
165 offered as security.

166 (iii) To actual farmers who are residents of this
167 state, if the loans are secured by recorded mortgages giving the
168 State Bank of Mississippi a first lien on real estate in
169 Mississippi in amounts not to exceed eighty percent (80%) of the
170 value of the security.

171 (iv) That are insured or guaranteed, in whole or
172 in part, by the United States, its agencies, or instrumentalities.

173 (v) To individuals or bank holding companies for
174 the purpose of purchasing or refinancing the purchase of bank
175 stock of a bank located in the state.

176 (vi) To nonprofit organizations that are exempt
177 from federal taxation under Section 501(c)(3) of the Internal
178 Revenue Code (26 USCS Section 501(c)(3)), the proceeds of the
179 loans to be used for construction, reconstruction, repair,
180 renovation, maintenance, and associated costs on property under
181 the control of the Department of Wildlife, Fisheries and Parks.



182 (vii) Under Public Law No. 99-198 (7 USCS Section
183 1932 et seq.), as amended, to nonprofit corporations for the
184 purpose of relending loan funds to rural businesses.

185 (viii) Under Title 7, Code of Federal Regulations,
186 Part 1948, Subpart C; Part 1951, Subparts F and R; and Part 1955,
187 Subparts A, B, and C, as amended, to finance businesses and
188 community development projects in rural areas.

189 (ix) Obtained as security pledged for or
190 originated in the restructuring of any other loan properly
191 originated or participated in by the Bank.

192 (x) To instrumentalities of this state.

193 (xi) As otherwise provided by this act or other
194 statutes.

195 (xii) As follows: If the Bank is participating in
196 the loan and the Bank deems it is in the best interests of the
197 Bank to do so, it may purchase the remaining portion of the loan
198 from a participating lender that is closed by regulatory action or
199 from the receiver of the participating lender's assets.

200 (xiii) To an investment company created for
201 completing a trust preferred securities transaction for the
202 benefit of a financial institution located in this state.

203 (b) Make agricultural real estate loans in order to
204 participate in the agricultural mortgage secondary market program
205 established under the Agricultural Credit Act (Public Law 100-233;
206 12 USCS Section 2279aa-2279aa-14), as amended.

207 (c) Purchase participation interests in loans made or
208 held by banks, bank holding companies, state-chartered or
209 federally chartered lending agencies or institutions, any other
210 financial institutions, or any other entity that provides
211 financial services and that meets underwriting standards that are
212 generally accepted by state or federal financial regulatory
213 agencies.

214 (d) Invest its funds:



215 (i) In conformity with policies of the industrial
216 commission.

217 (ii) In a public venture capital corporation
218 organized and doing business in this state through the purchase of
219 shares of stock.

220 (iii) In any Mississippi alternative and venture
221 capital investments and early-stage capital funds, not to exceed
222 Ten Million Dollars (\$10,000,000.00), for the purpose of providing
223 funds for investment in Mississippi alternative and venture
224 capital investments, early-stage capital funds, and
225 entrepreneurship awards. The Bank may invest a maximum of Two
226 Hundred Thousand Dollars (\$200,000.00) per biennium in
227 Mississippi-based venture capital entities that make investments
228 in companies located outside Mississippi. The Bank may allow for
229 third-party management of the funds invested under this
230 subparagraph if the management is provided by a third party that
231 is located in the state and that has demonstrated fund management
232 experience.

233 (e) Buy and sell federal funds.

234 (f) Lease, assign, sell, exchange, transfer, convey,
235 grant, pledge, or mortgage all real and personal property, title
236 to which has been acquired in any manner.

237 (g) Acquire real or personal property or property
238 rights by purchase, lease, or the exercise of the power of eminent
239 domain, and may construct, remodel, and repair buildings.

240 (h) Receive deposits from any source and deposit its
241 funds in any bank or other financial institution.

242 (i) Perform all acts and do all things necessary,
243 convenient, advisable, or desirable to carry out the powers
244 expressly granted or necessarily implied in this act through or by
245 means of its president, officers, agents, or employees or by
246 contracts with any person, firm, or corporation.



247 (j) Purchase mortgage loans on residential real
248 property originated by financial institutions.

249 **SECTION 12.** The State Treasurer and the State Fiscal Officer
250 may, when the balance in the State General Fund is insufficient to
251 meet legislative appropriations, execute and issue on behalf of
252 the state evidences of indebtedness on the State General Fund,
253 which at no time exceed the total principal amount of Ten Million
254 Dollars (\$10,000,000.00) with principal maturity of not more than
255 twelve (12) months. As a condition precedent to the issuance and
256 sale of the evidences of indebtedness, the State Treasurer must
257 request and obtain a statement from the State Fiscal Officer and
258 the Commissioner of Revenue certifying that anticipated general
259 fund revenues for the balance of the fiscal year in which the
260 evidences of indebtedness are to be issued will exceed the
261 principal amount and interest on the evidences of indebtedness to
262 be issued. The Mississippi Development Authority may in turn
263 direct the State Bank of Mississippi to make loans to the State
264 General Fund by the purchase of the evidences of indebtedness at
265 any rates of interest as the Mississippi Development Authority
266 prescribes. After evidences of indebtedness have been issued and
267 sold under this section, the State Treasurer shall establish a
268 fund for the repayment of the principal upon maturity and the
269 interest when due. The State Treasurer shall place all available
270 general fund revenues into this fund until the fund contains a
271 sufficient balance for the repayment of the principal at maturity
272 and interest when due, which monies shall be appropriated by the
273 Legislature for this purpose.

274 **SECTION 13.** (1) The State Bank of Mississippi shall
275 maintain a revolving loan fund in the Bank for the purpose of
276 making or participating in loans to Mississippi beginning farmers
277 for the purchase of agricultural real estate, equipment, and
278 livestock. All monies transferred into the fund, interest upon
279 monies in the fund, and payments to the fund of principal and



280 interest on loans made from the fund shall be appropriated by the
281 Legislature for the purpose of providing loans and to supplement
282 the interest rate on loans to beginning farmers made by the Bank
283 in accordance with this section.

284 (2) The revolving loan fund and loans made from the fund
285 must be administered and supervised by the Bank. The Bank may
286 deduct a service fee for administering the fund from interest
287 payments received on loans. An application for a loan from the
288 fund must be made to the Bank and, upon approval, a loan must be
289 made from the fund in accordance with this section.

290 (3) A loan made from the fund may not exceed eighty percent
291 (80%) of the appraised value of the agricultural collateral, with
292 the actual percentage to be determined by the Bank. The Bank may
293 do all things and acts and may establish additional terms and
294 conditions necessary to make a loan under this section. A loan
295 made from the fund must have a first security interest.

296 (4) A loan made from the fund must have the interest rate
297 fixed at one percent (1%) below the Bank's then current base rate
298 for the first five (5) years, with a maximum rate of six percent
299 (6%) per year and variable at one percent (1%) below the Bank's
300 then current base rate for the second five (5) years. During the
301 second five (5) years, the variable rate must be adjusted annually
302 on the anniversary date. The rate during the remaining term of
303 the loan floats at the Bank's base rate as in effect from time to
304 time.

305 (5) The maximum term of a real estate loan is thirty (30)
306 years. The maximum term of a farm equipment or livestock loan is
307 seven (7) years.

308 (6) The Mississippi Development Authority shall contract
309 with a certified public accounting firm to audit the fund as
310 necessary. The cost of the audit, and any other actual costs
311 incurred by the Bank on behalf of the fund, must be paid for by
312 the fund.



313 (7) The Bank shall adopt policies to implement this section.

314 **SECTION 14.** All business of the Bank must be conducted under
315 the name of "The State Bank of Mississippi." Title to property
316 pertaining to the operation of the Bank must be obtained and
317 conveyed in the name of "The State of Mississippi, doing business
318 as The State Bank of Mississippi." Instruments must be executed
319 in the name of the State of Mississippi. Within the scope of
320 authority granted by the Mississippi Development Authority, the
321 president may execute instruments on behalf of the Bank, including
322 any instrument granting, conveying, or otherwise affecting any
323 interest in or lien upon real or personal property. Other
324 officers or employees of, and legal counsel to, the Bank may
325 execute instruments on behalf of the Bank when authorized by the
326 Mississippi Development Authority.

327 **SECTION 15.** (1) Civil actions may be brought against the
328 State of Mississippi on account of claims for relief claimed to
329 have arisen out of transactions connected with the operation of
330 the State Bank of Mississippi provided that the provisions of this
331 section are complied with. In those actions, the state must be
332 designated as the "State of Mississippi, doing business as the
333 State Bank of Mississippi." The actions may be brought in the
334 same manner and are subject to the same provisions of law as other
335 civil actions. The action must be brought in the Circuit Court of
336 the First Judicial District of Hinds County except as provided in
337 subsection (2) of this section.

338 (2) If the Bank seeks to participate in a loan that involves
339 multiple banks and if the loan documents require the Bank to agree
340 that civil actions will be begun in a state outside of
341 Mississippi, the Bank may agree to venue outside of Mississippi if
342 approved by the Attorney General.

343 **SECTION 16.** Any provisions of law requiring that a surety or
344 sureties be given on undertakings in actions on appeal,
345 attachment, claim and delivery, and other cases in which an



346 undertaking is required, are not applicable to the State of
347 Mississippi, doing business as the State Bank of Mississippi, as
348 the party seeking that relief. It is required to give its own
349 undertaking without surety and to reimburse the adverse party when
350 required by law.

351 **SECTION 17.** (1) The State Auditor shall contract with an
352 independent certified public accounting firm for an annual audit
353 of the State Bank of Mississippi in accordance with generally
354 accepted government auditing standards. The State Auditor shall
355 audit annually or contract for an annual audit of the separate
356 programs and funds administered by the State Bank of Mississippi.

357 (2) On request of the State Auditor, the Mississippi
358 Development Authority shall assist the State Auditor in the
359 auditing firm selection process, but the selection of the auditing
360 firm is the responsibility of the State Auditor. The auditor
361 selected shall prepare an audit report that includes financial
362 statements presented in accordance with the audit and accounting
363 guide for banks and savings institutions issued by the American
364 Institute of Certified Public Accountants. The auditor also shall
365 prepare audited financial statements for inclusion in the
366 comprehensive annual financial report for the state. The State
367 Auditor may conduct performance audits of the State Bank of
368 Mississippi, including the separate programs and funds
369 administered by the Bank. The auditor shall report the results of
370 the audit to the Mississippi Development Authority and to the
371 Legislature. The State Bank of Mississippi or its separate
372 programs and funds shall pay the costs of the audit.

373 (3) The Department of Banking and Consumer Finance, through
374 the commissioner, shall examine the State Bank of Mississippi at
375 least once each twenty-four (24) months and conduct any
376 investigation of the Bank which may be necessary. The
377 commissioner shall report the examination results, and the results
378 of any necessary investigation, to the Mississippi Development



379 Authority and to the Legislature as soon as practicable. The
380 Department of Banking and Consumer Finance shall charge a fee for
381 any examination or investigation at an hourly rate to be set by
382 the commissioner, sufficient to cover all reasonable expenses of
383 the department associated with the examinations and investigations
384 provided for by this section.

385 **SECTION 18.** The State Bank of Mississippi may establish,
386 under any rules and regulations as adopted by the Mississippi
387 Development Authority, a system to provide fund transfer services
388 to its customers and to the customers of state-chartered and
389 federally chartered banks located within the State of Mississippi,
390 and to other financial institutions otherwise authorized to use
391 the services of electronic fund transfer systems, to acquire any
392 equipment as is necessary to establish electronic fund transfer
393 systems, and to make any reasonable charges for services rendered
394 to other banks under this section as may be established by the
395 Mississippi Development Authority.

396 **SECTION 19.** The following records of the State Bank of
397 Mississippi are confidential:

398 (a) Commercial or financial information of a customer,
399 whether obtained directly or indirectly, except for routine credit
400 inquiries or unless required by due legal process. As used in
401 this paragraph, "customer" means any person who has transacted or
402 is transacting business with, or has used or is using the services
403 of, the Bank, or for whom the Bank has acted as a fiduciary with
404 respect to trust property.

405 (b) Internal or interagency memorandums or letters that
406 would not be available by law to a party other than in litigation
407 with the Bank.

408 (c) Information contained in or related to examination,
409 operating, or condition reports prepared by, on behalf of, or for
410 the use of a state or federal agency responsible for the
411 regulation or supervision of any Bank activity.



412 (d) Information obtained from the Department of Banking
413 and Consumer Finance that the department is required to keep
414 confidential.

415 (e) The report by a Bank officer or member of the
416 Bank's advisory board of directors concerning personal financial
417 statements.

418 **SECTION 20.** Notwithstanding any other provision of law to
419 the contrary, the State Bank of Mississippi shall replace the
420 State Treasurer as the custodian of all securities that are
421 required to be deposited with the state, except that the State
422 Treasurer is the custodian of all securities resulting from the
423 investment of funds by the State Treasurer.

424 **SECTION 21.** The sale and leasing of agricultural real estate
425 with an appraised value of Ten Thousand Dollars (\$10,000.00) or
426 more acquired by the State Bank of Mississippi through foreclosure
427 or deed in lieu of foreclosure must be done in accordance with
428 policies adopted by the Mississippi Development Authority. The
429 sale and leasing of agricultural real estate with an appraised
430 value of less than Ten Thousand Dollars (\$10,000.00), acquired by
431 the Bank through foreclosure or deed in lieu of foreclosure, may
432 be done in a manner as the Bank determines is appropriate given
433 the circumstances. In the case of a lease by the party holding
434 the right of redemption, that party has the right to purchase at
435 any time.

436 **SECTION 22.** (1) The Health Information Technology Loan Fund
437 is established as a revolving loan fund in the State Bank of
438 Mississippi for the purpose of providing loans to health care
439 providers to purchase and upgrade electronic health record
440 technology, train personnel in its use, improve security of
441 information exchange, and for other purposes as established by the
442 Mississippi Health Information Network. All monies transferred
443 into the fund, interest upon monies in the fund, and collections
444 of interest and principal on loans made from the fund shall be



445 appropriated by the Legislature for disbursement according to this
446 section.

447 (2) The Bank shall make loans from this fund to health care
448 providers as approved by the Mississippi Health Information
449 Network, in accordance with the criteria established by the Health
450 Information Network. A loan made under this fund must be
451 repayable over a period that may not exceed ten (10) years.

452 (3) The Bank shall administer the Health Information
453 Technology Loan Fund. Funds in the loan fund may be used for
454 loans as provided under this section and the costs of
455 administration of the fund. The Bank may deduct an annual service
456 fee for administering the fund maintained under this section.

457 (4) An application for a loan under this section must be
458 made to the Mississippi Health Information Network. The Health
459 Information Network may approve the application of a qualified
460 applicant that meets the criteria established by the Health
461 Information Network. The Health Information Network shall forward
462 approved applications to the Bank. Upon approval of the
463 application by the Bank, the Bank shall make the loan from the
464 loan fund as provided under this section.

465 (5) The Bank may do all acts necessary to negotiate loans
466 and preserve security as deemed necessary, to exercise any right
467 of redemption, and to bring suit in order to collect interest and
468 principal due the loan fund under mortgages, contracts, and notes
469 executed to obtain loans under this section. If the applicant's
470 plan for financing provides for a loan of funds from sources other
471 than the State of Mississippi, the Bank may take a subordinate
472 security interest. The Bank may recover from the loan fund
473 amounts actually expended by the Bank for legal fees and to effect
474 a redemption.

475 **SECTION 23.** (1) The Health Information Technology Planning
476 Loan Fund is established as a revolving loan fund in the State
477 Bank of Mississippi for the purpose of providing low-interest



478 loans to health care entities to assist those entities in
479 improving health information technology infrastructure. All
480 monies transferred into the fund, interest upon monies in the
481 fund, and collections of interest and principal on loans made from
482 the fund shall be appropriated by the Legislature for disbursement
483 according to this section.

484 (2) The Bank shall make loans from this fund to health care
485 entities as approved by the Mississippi Health Information
486 Network, in accordance with the criteria established by the Health
487 Information Network.

488 (3) The Bank shall administer the Health Information
489 Technology Planning Loan Fund. Funds in the loan fund may be used
490 for loans as provided under this section and the costs of
491 administration of the fund. The Bank may deduct an annual service
492 fee for administering the loan fund maintained under this section.

493 (4) An application for a loan under this section must be
494 made to the Mississippi Health Information Network. The Health
495 Information Network may approve the application of a qualified
496 applicant that meets the criteria established by the Health
497 Information Network. The Health Information Network shall forward
498 approved applications to the Bank. Upon approval of the
499 application by the Bank, the Bank shall make the loan from the
500 loan fund as provided under this section.

501 (5) The Bank may do all acts necessary to negotiate loans
502 and preserve security as deemed necessary, to exercise any right
503 of redemption, and to bring suit in order to collect interest and
504 principal due the loan fund under mortgages, contracts, and notes
505 executed to obtain loans under this section. If the applicant's
506 plan for financing provides for a loan of funds from sources other
507 than the State of Mississippi, the Bank may take a loan
508 subordinate security interest. The Bank may recover from the loan
509 fund amounts actually expended by the Bank for legal fees and to
510 effect a redemption.



511 **SECTION 24.** (1) The State Bank of Mississippi may establish
512 a residential mortgage loan program under which the Bank may
513 originate residential mortgages if private sector mortgage loan
514 services are not reasonably available. Under this program a local
515 financial institution may assist the Bank in taking a loan
516 application, gathering required documents, ordering required legal
517 documents, and maintaining contact with the borrower.

518 (2) If the Bank establishes a program under this section, at
519 a minimum the program must provide:

520 (a) The Bank originate no more than Eight Million
521 Dollars (\$8,000,000.00) in conventional rural residential
522 mortgages;

523 (b) An applicant must be referred to the Bank by a
524 local financial institution and the Bank may not have received
525 from any other local financial institution an objection
526 to the Bank's program;

527 (c) The loan application must be for an owner-occupied
528 primary residence;

529 (d) The Bank provide all regulatory disclosures,
530 process and underwrite the loan, prepare closing documents, and
531 disburse the loan; and

532 (e) The terms of the loan originated by the Bank must
533 provide:

534 (i) The amount of the loan may not exceed Two
535 Hundred Thousand Dollars (\$200,000.00);

536 (ii) The term of the loan may not exceed thirty
537 (30) years;

538 (iii) The rate of the loan must be equal to the
539 Bank's market rate;

540 (iv) The maximum loan to value may not exceed
541 eighty percent (80%) of appraised value; however, a local
542 financial institution may take a second mortgage that does not
543 exceed a combined loan to value of ninety-five percent (95%); and



544 (v) Standard credit underwriting and documentation
545 applies.

546 (3) The Bank may sell eligible first-time home buyer loans
547 to the Mississippi Home Corporation.

548 **SECTION 25.** This act shall take effect and be in force from
549 and after July 1, 2012.

