

(D) THE TREASURER MAY ESTABLISH THE LINKED DEPOSIT PROGRAM FOR INVESTMENT OF DEPOSITS IN ANY FINANCIAL INSTITUTION THAT:

(1) THE TREASURER HAS DESIGNATED AS A DEPOSITORY FOR STATE MONEY; AND

(2) MAKES A LOAN IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION.

(E) (1) THE TREASURER MAY PURCHASE ~~A CERTIFICATE~~ ONE OR MORE CERTIFICATES OF DEPOSIT THAT ~~IS~~ ARE EQUAL TO:

(I) THE AMOUNT OF THE LOAN MADE BY THE FINANCIAL INSTITUTION IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION; OR

(II) THE AGGREGATE AMOUNT OF TWO OR MORE LOANS MADE BY ONE OR MORE FINANCIAL INSTITUTIONS IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION.

(2) IN PURCHASING A CERTIFICATE OF DEPOSIT UNDER THIS SUBSECTION, THE TREASURER MAY ACCEPT A RATE THAT ~~GIVES A~~ IS 2 PERCENTAGE POINT PREFERENCE ~~TO THE FINANCIAL INSTITUTION~~ POINTS BELOW CURRENT MARKET RATES OR AN INDEX SELECTED BY THE TREASURER.

(3) THE TREASURER MAY USE UP TO \$50,000,000 TO PURCHASE CERTIFICATES OF DEPOSIT IN AN AMOUNT EQUIVALENT TO THE AMOUNT FINANCIAL INSTITUTIONS LOAN TO CERTIFIED MINORITY BUSINESS ENTERPRISES.

(F) UPON NOTIFICATION BY ~~THE TREASURER~~ THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT THAT A MINORITY BUSINESS ENTERPRISE PARTICIPATING IN THE LINKED DEPOSIT PROGRAM IS NO LONGER CERTIFIED UNDER TITLE 14, SUBTITLE 3 OF THIS ARTICLE, THE ~~FINANCIAL INSTITUTION TREASURER~~ SHALL REDUCE THE AMOUNT OF THE ~~LOAN~~ CERTIFICATE OF DEPOSIT WITH THE PARTICIPATING FINANCIAL INSTITUTION BY THE OUTSTANDING BALANCE OF THE LOAN MADE UNDER THIS SECTION TO THE DECERTIFIED MINORITY BUSINESS ENTERPRISE.

(G) (1) A LOAN ASSISTED BY A LINKED DEPOSIT IS NOT A DEBT OF THE STATE OR A PLEDGE OF THE CREDIT OF THE STATE.

(2) THE TREASURER AND THE STATE ARE NOT LIABLE TO ANY FINANCIAL INSTITUTION FOR PAYMENT OF THE PRINCIPAL OR INTEREST ON A LOAN ASSISTED BY A LINKED DEPOSIT.

(H) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE TREASURER MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2007, the Department of Housing and Community Development, in consultation with the Treasurer, shall report to the Governor and, in accordance with § 2-1246 of the State Government Article, to the Economic Matters Committee and the Finance