

misdeemeanor and upon conviction shall be fined not more than \$5,000 or imprisoned for not more than two years, or both. Every borrower who knowingly makes or causes to be made such a false statement or report shall, at the option of the Department, and without regard to the commencement or status of criminal prosecution, be subject to immediate acceleration of the loan for which he is liable. The criminal penalties and acceleration provided by this section shall apply to any material misstatement of fact, whether in the nature of an understatement or overstatement of financial condition, or any other fact material to the Department's actions.

[(h)] (M) (1) The program shall operate as a continuing, nonlapsing, special fund, that consists of moneys appropriated by the State to the program.

(2) The Department shall use the fund to make loans and to pay expenses of the program including reserves for anticipated future losses directly related to the program, as provided in the annual budget of the State or other act appropriating moneys.

(3) The State Treasurer shall hold and the State Comptroller shall account for the fund. The fund shall be invested and reinvested in the same manner as other State funds. Any investment earnings of the fund shall be paid into the General Fund of the State.

(4) The State may appropriate to the fund, in the State budget, all or part of the moneys received as repayments of principal or interest on all loans made by the program at any time. The appropriation may be increased by budget amendment. The amount of repayments so appropriated for the purpose of making loans may not exceed \$12,000,000 annually. The State may not appropriate repayments of principal and interest to the program to the extent that loans expected to be made with the moneys appropriated would cause the total principal amount of loans outstanding to exceed \$100,000,000.

(5) If there is no appropriation to the fund in the State budget of part or all of the moneys received as repayments of principal or interest on the loans, the moneys not appropriated shall be:

(i) Credited to the Annuity Bond Fund to be used to pay the principal of or interest on moneys borrowed by the State and appropriated to the program; or

(ii) Paid into the General Fund of the State, to reimburse the State for administrative and other costs of the program previously paid from the fund.

(6) Prepayments of principal of a loan may be used to make additional loans under the program. Any moneys not so used