

State of Alabama Office of the Treasurer

Linked Deposit Program for Emergency Borrowers

January 2012

What is the Program?

The Linked Deposit Program (Program) is now available for qualified Alabama citizens, known as *Emergency Borrowers*, affected by the 2010 oil spill along Alabama's Gulf Coast and the April 2011 and January 2012 tornado outbreaks through low-interest loans from participating banking institutions. The State Treasurer will deposit monies in participating banking institutions that will then lend these monies to *Emergency Borrowers*.

Can I Participate in the Program?

An ***Emergency Borrower*** is any individual, business, organization or local government that has suffered loss, and is located in areas where property loss has occurred due to fire, flood, tornado, hurricane, or other act of God, or other natural or man-made disaster. The banking institution will determine if the borrower meets the definition of an *Emergency Borrower*. Loans due to losses that occurred from April 2010 – January 2012 will be eligible.

Where do I apply for the Program?

Those interested should contact their bank to see if it is participating in the Program and to determine if they qualify. *Alabama banks are not required to participate in this Program.*

Loan Guidelines

To apply for the low-interest rate, an *Emergency Borrower* will need to request a loan from their bank through the normal lending process. If the bank approves the loan request by the borrower, the institution will determine if the loan meets the requirements of the Program.

- Loan terms are negotiated between the borrower and bank.
- The interest rate will be set by the bank, but will not be higher than 5%.
- The loan is not transferable between borrowers.
- An *Emergency Borrower* is only entitled to the benefit of one loan. A borrower may not hold more than one loan for the same purpose at another bank.

How long will the Program last?

The Program will be open until April 30, 2012, or until the full amount of allocated monies, \$25 million, have been deposited in lending institutions, whichever occurs first.

Bank – a bank or savings institution organized and existing under the laws of the State of Alabama, any other state of the United States, or the United States that is authorized pursuant to the laws of this state or the United States to conduct, and is conducting the business of making loans and taking deposits in this state; and is an active member of the SAFE Program designated as a qualified public depository; and is an approved state depository. Neither the Treasurer, his staff or the State of Alabama is involved in the borrower application and qualification process.