



Ohio Revised Code

Section 135.74 [Repealed effective 10/3/2023 by H.B. 33, 135th General Assembly] Accepting or rejecting loan package.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

(A) The treasurer of state may accept or reject an agricultural linked deposit loan package or any portion thereof, based on the treasurer's evaluation of the eligible agricultural businesses included in the package, the amount of individual loans in the package, and the amount of the package. In evaluating the eligible agricultural businesses, the treasurer of state shall give priority to a business's financial need for the loan to meet planting deadlines but shall also consider the overall financial need of the business and the economic needs of the area where the business is located.

(B) Upon acceptance of the agricultural linked deposit loan package or any portion thereof, the treasurer of state may place certificates of deposit with the eligible lending institution at a rate below current market rates, as determined and calculated by the treasurer of state, or may invest in bonds, notes, debentures, or other obligations or securities issued by the federal farm credit bank with respect to the eligible lending institution at a rate below current market rates, as determined and calculated by the treasurer of state. When necessary, the treasurer may place certificates of deposit or may invest in such obligations or securities prior to acceptance of an agricultural linked deposit loan package.

(C) The eligible lending institution shall enter into an agricultural linked deposit agreement with the treasurer of state, which shall include requirements necessary to carry out the purposes of sections 135.71 to 135.76 of the Revised Code. The requirements shall at least do the following:

(1) Include an agreement by the eligible lending institution to lend to eligible agricultural businesses at a rate equal to either of the following:

(a) A rate not more than three hundred basis points below the present borrowing rate applicable to each specific agricultural business in the accepted loan package;

(b) The present borrowing rate applicable to each specific agricultural business in the accepted loan



package minus the difference between one of the following, as applicable:

- (i) The market rate and the actual rate at which the certificates of deposit that constitute the agricultural linked deposit were placed;
 - (ii) The market rate and the actual rate at which the investments in bonds, notes, debentures, or other obligations or securities that constitute the agricultural linked deposit were made.
- (2) Reflect the market conditions prevailing in the eligible lending institution's lending area.

The agricultural linked deposit agreement may include a specification of the period of time in which the lending institution is to lend funds upon the placement of a linked deposit, and shall include provisions for the certificates of deposit to be placed or the investment in bonds, notes, debentures, obligations, or securities to be made for any maturity considered appropriate by the treasurer of state not to exceed five years. Interest shall be paid at the times determined by the treasurer of state.

(D) Eligible lending institutions shall comply fully with Chapter 135. of the Revised Code.