

## **Section 20**

Establishment and maintenance of adequate guarantee funds - Use of strategic investment and improvements fund. (Effective after June 30, 2025) The Bank of North

Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The Bank may request the director of the office of management and budget to transfer funds from the strategic investment and improvements fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve fund balance.

Transfers from the strategic investment and improvements fund may not exceed a total of one ~~hundred forty million~~ one hundred eighty million dollars. Moneys in the guarantee reserve fund are available to reimburse lenders, including the Bank, for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program must be deposited in the reserve fund. The amount of reserves for all guaranteed loans must be determined by a formula that will assure, as determined by the Bank, an adequate amount of reserve.

Section 29. Section 20 becomes effective on July 1, 2027.