

WEST VIRGINIA CODE: §12-1A-1

§12-1A-1. Definitions.

(a) "Treasurer" means the West Virginia Treasurer's Office.

(b) "Eligible small business" means any business that: (1) Employs fifty or fewer employees and has gross annual receipts of \$5 million or less; (2) is headquartered in this state; (3) is organized for profit; and (4) complies with the terms and conditions of this article regarding eligibility.

(c) "Eligible lending institution" means a financial institution that is eligible to make commercial loans, is a public depository of state funds and agrees to participate in the linked deposit program and comply with its terms and conditions.

(d) "Linked deposit" means a deposit placed by the Treasurer with an eligible lending institution that agrees to lend a linked deposit loan to an eligible small business. The amount of the deposit is equal to the amount of the linked deposit loan at an interest rate of three percent below the current market rate as determined and calculated by the Treasurer, but in no event may the interest rate on the deposit be less than zero percent. The linked deposit may be placed with the eligible lending institution for up to seven years depending upon whether the small business remains eligible for the program. On an annual date, as determined by the Treasurer, the rate paid to the Treasurer shall be recomputed based upon the current market rate. If the rate is recomputed, the amount of the deposit shall be reduced by the amount of principal paid on the outstanding loan.

(e) "Linked deposit loan" means a loan between an eligible lending institution and an eligible small business for an amount not to exceed \$250,000 at a rate of not more than one percent above the prime interest rate as published by the Wall Street Journal on the date the Treasurer receives the linked deposit request. In exchange for providing this reduced rate loan, the eligible lending institution receives a linked deposit. On an annual date, as determined by the Treasurer, the rate charged to the eligible small business may be recomputed but shall not exceed the prime interest rate plus one percent. If the rate is recomputed, the amount of the deposit shall be reduced by the amount of principal paid on the outstanding loan. The linked deposit loan may be part of a comprehensive loan package, including guaranteed loans by the United States small business administration, or other federal or state agency providing a partial or full guarantee against loss to the eligible lending institution.

(f) "Small Business Development Center" means the West Virginia Small Business Development Center, a division of the West Virginia Development Office.