

CHAPTER 2
GUAM FARMERS' COOPERATIVE ASSOCIATION
(REVOLVING LOAN FUND)

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NOTE: Rule-making authority originally cited for formulation of regulations for the Guam Farmers' Association Revolving Loan Fund by the Governor, Public Law 9-121, as amended by Public Law 10-67. Rules and regulations promulgated under Executive Order 67-21 on December 14, 1967, and amended by Executive Order 69-17 on September 11, 1969.

Although the Guam Farmers' Cooperative Association Revolving Loan Fund was codified in 5 GCA §60350 effective February 23, 1972, no provision was made for the establishment of rule-making authority in either the Governor or any designated agency. However, the rules originally formulated by the Governor pursuant to Public Law 9-121, have been continuously in effect since the time of their original formulation and are presently being used by the Department of Agriculture.

§2100. Administration. (a) The Loan Committee as created by this Executive Order shall be responsible for the approval and disbursement of all loans.

(b) The Department of Agriculture, government of Guam shall be the responsible agency for the administration of the Guam Farmers' Cooperative Association Revolving Loan Fund and shall furnish all logistic support required.

§2101. Rate of Interest. That the rate of interest charged for any loan to the Guam Farmers' Cooperative Association shall be at the rate of three percent (3%) per annum on the unpaid principal.

§2102. Repayment. The term of any loan shall not exceed twenty (20) years. Incremental repayments shall be set by the Loan Committee.

§2103. Disbursement of Loan. An application for loan shall be required from the Board of Directors of the Guam Farmers' Cooperative Association through a resolution based upon the needs of the Association. Said resolution shall designate the president and treasurer of the Guam Farmers' Cooperative Association for execution of said loan. All

disbursements of loans shall be substantiated by adequate records.

§2104. Program Plan. No loan shall be disbursed without a program plan, but limited to the following:

- (a) Purchase of agricultural supplies.
- (b) Fresh market activities.
- (c) Capital acquisition.

§2105. Earnings. All earnings derived from the operation of the revolving fund shall not be distributed, but returned to said fund.

§2106. Security of Loan. The Loan Committee shall require security insofar as possible for any loan granted hereunder. The Loan Committee is empowered to execute any document required for the implementation of this Section.

§2107. Loan Committee. (a) There is hereby established a Loan Committee appointed by the Governor. The Committee shall be composed of five (5) members: Director of Agriculture, Director of Bureau of Budget, Director of Finance, a member of the business community, and a district commissioner. A chairman shall be elected among the members.

(b) The function of the Loan Committee:

(1) To review and act on loans requested by the Guam Farmers' Cooperative Association.

(2) To establish administrative loan policies.

(3) To require periodic examination and audit of the books and accounts of the Guam Farmers' Cooperative Association Revolving Fund.

(4) All loans approved shall be subject to the approval of the Governor. (5 GCA beginning with §60350.) Executive Order 67-21 amended by Executive Order 69-17, dated September 11, 1969.