

1.1 moves to amend H.F. No. 3732, the first engrossment, as follows:

1.2 Page 15, after line 7, insert:

1.3 "Sec. FEDERAL EMPLOYEE PERSONAL LOAN GUARANTEE PROGRAM.

1.4 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.5 the meanings given.

1.6 (b) "Affected employee" means a federal employee who during the shutdown is:

1.7 (1) a resident of this state; and

1.8 (2) furloughed from federal employment without pay or required to work as a federal
1.9 employee without pay.

1.10 (c) "Commissioner" means the commissioner of employment and economic development.

1.11 (d) "Federal employee personal loan guarantee program" or "program" is the program
1.12 created under this section to guarantee personal loans to affected employees.

1.13 (e) "Financial institution" means a bank, bank and trust, trust company with banking
1.14 powers, savings bank, savings association, or credit union organized under the laws of this
1.15 state, any other state, or the United States; an industrial loan and thrift under Minnesota
1.16 Statutes, chapter 53; or a regulated lender under Minnesota Statutes, chapter 56. Financial
1.17 institution also includes a subsidiary or operating subsidiary of a financial institution or
1.18 bank holding company, as defined in the federal Bank Holding Company Act, United States
1.19 Code, title 12, section 1841, et seq., if the subsidiary or operating subsidiary can demonstrate
1.20 to the satisfaction of the commissioner of commerce that the subsidiary or operating
1.21 subsidiary is regulated and subject to active and ongoing oversight and supervision by a
1.22 federal banking agency, as defined in the Federal Deposit Insurance Act, United States
1.23 Code, title 12, section 1811, et seq., or the commissioner.

2.1 (f) "Grace period" means the 90-day period after an affected employee's federal agency
2.2 is funded and the shutdown ends.

2.3 (g) "Loan guarantee" means a guarantee of 100 percent of the amount of a personal loan.

2.4 (h) "Personal loan" means an unsecured loan made by a financial institution to an affected
2.5 employee that complies with the requirements of this section.

2.6 (i) "Shutdown" means the federal fiscal year 2026 partial government shutdown affecting
2.7 the Transportation Security Administration and other federal agencies that began February
2.8 14, 2026.

2.9 Subd. 2. **Loan guarantee program.** A personal loan guarantee program to support
2.10 affected employees of the Transportation Security Administration and other federal agencies
2.11 is created in the Department of Employment and Economic Development. The commissioner
2.12 shall administer the personal loan guarantee program in accordance with this section.

2.13 Subd. 3. **Duties of commissioner.** (a) The commissioner must approve or disapprove
2.14 an application from a financial institution to participate in the loan guarantee program within
2.15 one day after receiving the application.

2.16 (b) The commissioner must keep administrative records regarding the personal loan
2.17 guarantee program.

2.18 (c) The commissioner must review requests for payments of loan guarantees under
2.19 subdivision 4 and disallow any request for guarantees that do not comply with the
2.20 requirements of this section.

2.21 (d) The commissioner must pay loan guarantees that comply with this section to a
2.22 financial institution from the federal employee personal loan account in the special revenue
2.23 fund.

2.24 (e) The commissioner must cease accepting personal loan information from financial
2.25 institutions the day after the shutdown ends.

2.26 (f) The commissioner must cease accepting applications and approving claims for loan
2.27 guarantees if the number of loan guarantees requested exceeds ten percent of the total number
2.28 of personal loans issued. The commissioner must inform financial institutions that have
2.29 applied to the program within two days of ceasing to accept applications or approve claims
2.30 under this paragraph.

2.31 (g) The commissioner must wind-down and terminate operation of the program by July
2.32 31, 2028.

3.1 Subd. 4. **Financial institutions.** (a) A financial institution may apply to the commissioner
3.2 to participate in the program. Upon approval by the commissioner, a financial institution
3.3 may make personal loans and receive loan guarantees.

3.4 (b) In order to participate in the program, a financial institution must be in good standing.
3.5 In order to be in good standing, a financial institution must not be subject to:

3.6 (1) a formal agreement with the Office of the Comptroller of the Currency;

3.7 (2) a consent order or cease and desist order issued by the Federal Deposit Insurance
3.8 Corporation;

3.9 (3) a consent order or cease and desist order from the commissioner of commerce;

3.10 (4) a letter of understanding and agreement or consent order issued by the National
3.11 Credit Union Administration; or

3.12 (5) a finding by the commissioner that the financial institution has failed to comply with
3.13 this section.

3.14 (c) A financial institution must document a personal loan with the following information:

3.15 (1) evidence of the affected employee's employment status, income, and residence; and

3.16 (2) the amount of unemployment compensation benefits the affected employee has
3.17 received or is eligible to receive during the shutdown.

3.18 (d) A financial institution must notify the commissioner within one day of making a
3.19 personal loan. This notification must be in a form and manner determined by the
3.20 commissioner.

3.21 (e) A financial institution must provide an affected employee with information regarding
3.22 credit counseling services offered by the financial institution or nonprofit credit counselors.

3.23 (f) If a financial institution has made a good faith effort to collect on a personal loan
3.24 180 days after the grace period has concluded, the financial institution may submit a request
3.25 for payment of a loan guarantee from the commissioner.

3.26 (g) The commissioner shall prepare a form for financial institutions to use in applying
3.27 for loan guarantees. The form shall include:

3.28 (1) the name and contact information of the financial institution, including the name and
3.29 title of a contact person;

3.30 (2) evidence that the financial institution's efforts to collect the personal loan have been
3.31 in accordance with the financial institution's collection policies;

4.1 (3) the amount of the personal loan provided to the affected employee; and

4.2 (4) the loan guarantee amount that is being requested from the program.

4.3 Subd. 5. **Personal loan; terms.** (a) A personal loan must:

4.4 (1) not require an affected employee to repay in part or in full the personal loan earlier
4.5 than the end of the grace period;

4.6 (2) not require an affected employee to repay the loan in full earlier than 180 days after
4.7 the end of the grace period;

4.8 (3) allow an affected employee to repay the personal loan in no fewer than three and no
4.9 more than six equal installments; and

4.10 (4) not charge interest on the principal or charge fees until 180 days after the grace
4.11 period.

4.12 (b) A loan to an affected employee must not exceed the lesser of:

4.13 (1) \$7,500;

4.14 (2) the affected employee's most recent monthly net pay; or

4.15 (3) four times the amount the affected employee has reported to the financial institution
4.16 in weekly unemployment compensation benefits that the employee has received or is eligible
4.17 to receive.

4.18 (c) An affected employee is eligible for an additional personal loan for each 30-day
4.19 period that the shutdown continues. An affected employee may have up to three personal
4.20 loans.

4.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.22 Sec. **FEDERAL EMPLOYEE PERSONAL LOAN GUARANTEE PROGRAM**
4.23 **ACCOUNT.**

4.24 The federal employee personal loan guarantee account is created in the special revenue
4.25 fund.

4.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.1 Sec. **FEDERAL EMPLOYEE PERSONAL LOAN GUARANTEE PROGRAM;**
 5.2 **APPROPRIATION.**

5.3 \$..... in fiscal year 2026 is appropriated from the general fund to the commissioner of
 5.4 employment and economic development for deposit in the federal employee personal loan
 5.5 guarantee program account in the special revenue fund. This is a onetime appropriation.
 5.6 Any amount remaining in the account as of August 1, 2028, is transferred to the general
 5.7 fund.

5.8 **EFFECTIVE DATE.** This section is effective the day following final enactment."

5.9 Renumber the sections in sequence and correct the internal references

5.10 Amend the title accordingly