*** § 131-i. Family loan program.** 1. From amounts appropriated for such purpose, the department of labor in consultation with the department is hereby authorized and directed to solicit proposals to establish programs to be known as family loan programs. Such programs shall provide small, no-interest loans to custodial parents with income below two hundred percent of the federal poverty level and who are working or enrolled in a post-secondary education program, to aid in covering the costs of unexpected expenses that could interfere with their ability to maintain employment or continue education. Loans awarded through a family loan program may be paid directly to a third party on behalf of a loan recipient and in either case shall not constitute income or resources for the purposes of public assistance and care so long as the funds are used for the intended purpose.

2. The commissioner of labor shall enter into written agreements with not-for-profit organizations or local government agencies to administer loan pools. Agreements shall be entered into with no more than four organizations and/or agencies, no more than one of which shall be located in the city of New York.

3. Program sites shall be approved based on the demonstrated ability of the organization or governmental agency to secure funding from private and/or public sources sufficient to establish a loan pool to be maintained through repayment agreements entered into by eligible low-income families. Funds awarded by the department of labor to approved program sites shall be used for the express purposes of covering staffing and administration costs associated with administering the loan pool.

4. From amounts appropriated for such purpose, the department of labor in consultation with the office of temporary and disability assistance is hereby authorized and directed to solicit proposals to establish up to four new family loan programs. Such programs shall operate according to provisions set forth in subdivision one through three of this section; provided, however, that such programs may provide no- or low-interest loans, and further provided that applications submitted by a consortium of not-for-profit organizations or local government

agencies shall be viewed as one program and may receive greater funding by the department of labor than an application submitted by a single organization or agency. Low-interest loans shall not exceed a rate greater than two-thirds of the prime rate. No not-for-profit organization or local government agency awarded funding from appropriations made in the nineteen hundred ninety-seven--nineteen hundred ninety-eight fiscal year shall be eligible for funds made available from appropriations made in the nineteen hundred ninety-nine--two thousand fiscal year.

* NB There are 2 § 131-i's