

income tax exemption allowed by sections 41.58 and Laws 1976, Chapter 210, Section 12.

Sec. 2. Minnesota Statutes 1978, Section 41.56, is amended by adding a subdivision to read:

Subd. 6. SECONDARY MARKET GUARANTEES WITHOUT RECOURSE. In the case of all family farm loan guarantees, except seller-sponsored loan guarantees, the commissioner is authorized to extend said guarantees to a bona fide purchaser of the guaranteed portion of the note and mortgage executed by an original lender and borrower without recourse by the state of Minnesota against said bona fide purchaser of said guaranteed portion, provided the state of Minnesota is made the named beneficiary of a title insurance policy insuring marketable title to the farm land in question and the state of Minnesota is given the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. In the event title insurance is, as a practical matter, unavailable or an undue hardship, the commissioner is authorized to provide said guarantee without recourse by the state of Minnesota against said bona fide purchaser provided the state of Minnesota is given the written opinion of competent local counsel concerning marketable title and the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. The making of such a guarantee without recourse shall not affect the rights the state of Minnesota may have with respect to the original lender, mortgagor, or any other party.

Sec. 3. Minnesota Statutes 1978, Section 41.57, Subdivision 3, is amended to read:

Subd. 3. ANNUAL REVIEW OF NET WORTH. The applicant, his dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of ~~\$100,000~~ \$135,000, the applicant shall be ineligible for a payment adjustment in that year.

Approved May 29, 1979.

CHAPTER 237—S.F.No.432

An act relating to general assistance and general assistance medical care; eliminating the notarizing requirement for general assistance and general assistance medical care applications; amending Minnesota Statutes 1978, Section 256D.07.

Changes or additions indicated by underline deletions by ~~strikeout~~

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 256D.07, is amended to read:

256D.07 TIME OF PAYMENT OF ASSISTANCE. An applicant for general assistance or medical care authorized by section 256D.03, subdivision 3 shall be deemed presumptively eligible if his ~~sworn~~ application on its face demonstrates that he is within the eligibility criteria established by Laws 1973, Chapter 650, Article 21 and any applicable rules and regulations of the commissioner. The application shall be in writing in the manner and upon the form prescribed by the commissioner and verified by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point." General assistance shall be immediately granted to such presumptively eligible applicant without the necessity of first securing action by the board of the local agency.

If upon verification and due investigation it appears that the applicant ~~swore~~ falsely provided false information and ~~such~~ the false information materially affected his eligibility for general assistance or medical care provided pursuant to section 256D.03, subdivision 3 or the amount of his general assistance grant, the local agency ~~shall~~ may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Approved May 29, 1979.

CHAPTER 238—S.F.No.435

An act relating to education; increasing the maximum awards for scholarships and grants-in-aid; changing the eligibility for certain financial assistance; increasing the bonding authority of the higher education coordinating board; requiring that data on certain applicants for student financial assistance be classified as private and providing an exception; increasing the eligibility for a tuition subsidy for a public post-secondary vocational-technical school; appropriating money; amending Minnesota Statutes 1978, Sections 136A.121, Subdivisions 4, 5, 7 and 8; 136A.162; 136A.171; and 136A.236, Subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1978, Section 136A.121, Subdivision 4, is amended to read:

Subd. 4. A financial stipend shall accompany scholarship awards if the scholarship winner demonstrates financial need and will attend an eligible institution. Financial stipends shall range from a maximum of \$1,100 in the 1979-1980 school year, \$1,250 in the 1980-1981 school year and \$1,400 in the 1981-1982 school year and subsequent school years to a minimum of \$100 but in no event shall exceed one-half of the applicant's

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