

Maine Revised Statutes
Title 20-A: EDUCATION
Chapter 417-A: MAINE EDUCATIONAL LOAN PROGRAM

§11420. BONDS

1. Issuance; purpose; payment; authorization; interim receipts or certificates. The authority may, at any time and from time to time, issue bonds for the purpose of making authority loans to institutions participating in the program for the purpose of providing education loans, for acquiring existing portfolios of education loans from institutions or for financing or funding education loans directly or indirectly to borrowers. The bonds of each issue must be payable from sources specified in the agreement with bondholders, including without limitation, principal and interest on loans; payments by institutions, banks, insurance companies or others pursuant to letters of credit or purchase agreements; investment earnings from funds or accounts maintained pursuant to a trust agreement or other document; insurance proceeds; loan funding deposits; proceeds of sales of education loans; proceeds of refunding bonds; and other fees, charges or revenues of the authority if so specified.

Bonds must be authorized by the authority and must:

- A. Bear the date or dates, and mature at a time or times, whether as serial bonds or as term bonds, or both, determined by the authority; [1987, c. 807, §3 (NEW).]
- B. Bear interest at a rate or rates determined by the authority, including, but not limited to, fixed, variable, floating or adjustable interest rates; [1987, c. 807, §3 (NEW).]
- C. Be payable at a time or times, in the denominations and form, either coupon or registered or both, and carry the registration and privileges as to conversion and for the replacement of mutilated, lost or destroyed bonds as the authority may establish; [1987, c. 807, §3 (NEW).]
- D. Be negotiable and be payable in lawful money of the United States at a designated place or be payable in another form of currency if the authority so designates; [1987, c. 807, §3 (NEW).]
- E. Be subject to redemption in accordance with the agreement with bondholders; [1987, c. 807, §3 (NEW).]
- F. Be executed by the manual or facsimile signatures of the officers or designees of the authority; [1987, c. 807, §3 (NEW).]
- G. Be sold in the manner and upon the terms determined by the authority at public or private sale, with or without public bidding; [1987, c. 807, §3 (NEW).]
- H. Be conclusively presumed to be fully and duly authorized and issued under the laws of the State and any person or governmental unit must be estopped from questioning their authorization, sale, issuance, execution or delivery by the authority; and [2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF).]
- I. Be deemed to be negotiable instruments issued under the laws of the State. [1987, c. 807, §3 (NEW).]

Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates, which must be exchanged for such definitive bonds.

Bonds issued under this chapter do not constitute or create any debt or debts, liability or liabilities on behalf of the State or of any political subdivision of the State, other than the authority, or a loan of the credit of the State or a pledge of the faith and credit of the State or of any such political subdivision, other than the authority, but are payable solely from the funds provided. All such bonds must contain on the face of the bonds a statement to the effect that neither the State nor any political subdivision of the State is obligated to pay the same or the interest on the bonds, except from revenues derived pursuant to one or more agreements,

and that neither the faith and credit nor the taxing power of the State or of any political subdivision of the State is pledged to the payment of the principal of, premium, if any, or the interest on such bonds. The issuance of bonds under this chapter must not directly or indirectly or contingently obligate the State or any political subdivision of the State to levy or to pledge any form of taxation whatever or to make any appropriation for their payment. Nothing in this section contained may prevent nor be construed to prevent the authority from pledging its full faith and credit or the full faith and credit of an institution to the payment of bonds or issue of bonds authorized pursuant to this chapter.

[2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

2. Provisions in bond resolution or other document. Any bond resolution or other document may contain provisions, which must be a part of the contract with the holders of the bonds to be authorized under this chapter, as to:

- A. Pledging or assigning the revenues derived from authority loans, education loans or other sources with respect to which the bonds are to be issued; [1987, c. 807, §3 (NEW) .]
- B. The fees and other charges to be collected and the sums to be raised in each year, and the use, investment and disposition of such sums; [1987, c. 807, §3 (NEW) .]
- C. The setting aside of loan funding deposits, debt service reserves, capitalized interest accounts, cost of issuance accounts and sinking funds, and the regulation, investment and disposition; [1987, c. 807, §3 (NEW) .]
- D. Limitations on the use of proceeds of loans; [1987, c. 807, §3 (NEW) .]
- E. Limitations on the purpose to which or the investments in which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied; [1987, c. 807, §3 (NEW) .]
- F. Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, the terms upon which additional bonds may rank on a parity with, or be subordinate or superior to, other bonds; [1987, c. 807, §3 (NEW) .]
- G. The refunding or refinancing of outstanding bonds; [1987, c. 807, §3 (NEW) .]
- H. The procedure, if any, by which the terms of any contract with bondholders may be altered or amended and the amount of bonds the holders of which must consent thereto, and the manner in which consent must be given; [2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]
- I. Defining the acts or omissions that constitute a default in the duties of the authority to holders of its obligations and providing the rights or remedies of such holders in the event of a default; [2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]
- J. Providing for guarantees, pledges of endowments, letters of credit, property or other security, or insurance for the benefit of the holders of the bonds; and [1987, c. 807, §3 (NEW) .]
- K. Any other matter relating to the bonds that the authority determines appropriate. [2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

[2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

3. Liability. No member or employee of the authority nor any person executing the bonds issued under this chapter may be liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

[2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

4. Purchasing, refunding or refinancing by authority. The authority may purchase its bonds issued under this chapter out of any available funds and may hold, pledge, cancel or resell the bonds subject to and in accordance with agreements with bondholders.

The authority may refund or refinance any of its bonds issued under this chapter.

[2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

5. Security for series or issue of bonds. The authority may pledge the repayments of authority loans as security for a series or issue of bonds issued under this chapter. Notwithstanding any other provision contained in this chapter, the authority may commingle and pledge as security for a series or issue of such bonds, with the consent of all of the institutions that are participating in the series or issue; the education loan series portfolios and some or all future education loan series portfolios of the institutions; and the loan funding deposits of the institutions if education loan series portfolios and other security and money set aside in any fund or funds pledged for any series or issue of such bonds are held for the sole benefit of the series or issue separate and apart from education loan series portfolios and other security and money pledged for any other series or issue of such bonds of the authority.

[2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

The authority may provide for transfer of registration of its registered bonds issued under this chapter by book entry on the records of the entity designated for that purpose and may enter into any agreement it considers necessary to accomplish these purposes. [2015, c. 170, §19 (AMD); 2015, c. 170, §30 (AFF) .]

SECTION HISTORY

1987, c. 807, §3 (NEW). 2015, c. 170, §19 (AMD). 2015, c. 170, §30 (AFF) .

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