

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out all of section 2 (page 1, lines 30 and 31 in L.D.) and inserting the following:

‘**Sec. 2. 20-A MRSA §11424, sub-§6**, as enacted by PL 1987, c. 807, §3, is amended to read:

6. Bonds outstanding. The authority ~~shall~~may not have at any one time outstanding bonds to which subsection 5 is stated in the trust agreement or other document to apply in principal amount exceeding ~~\$50,000,000~~\$300,000,000. The amount of bonds issued to refund bonds previously issued ~~shall~~may not be taken into account in determining the principal amount of the bonds outstanding, ~~provided that~~as long as the proceeds of the refunding bonds are applied as promptly as possible to the refunding of the previously issued bonds. In computing the total amount of bonds of the authority ~~which~~that may at any time be outstanding for any purpose, the amount of the outstanding bonds that have been issued as capital appreciation bonds or as similar instruments ~~shall~~must be valued as of any date of calculation at their current accreted value rather than their face value.

Sec. 3. Report of bond and loan activity. The Maine Educational Loan Authority shall submit a report to the Joint Standing Committee on Education and Cultural Affairs no later than April 2, 2010 summarizing the authority’s bond and loan activity from the effective date of this Act through March 15, 2010. The report must include an account of tax exempt bonds issued during this period with amounts and rates for each issue. The report must include an account of bonds issued prior to the effective date of this Act that have been refinanced, the change in interest rates for these bonds and the bond cap available as of March 15, 2010.

The Maine Educational Loan Authority shall also report the rates on alternative loans originating after the effective date of this Act and changes in rates for loans outstanding on the effective date of this Act. The report must also include an account of any fees in excess of \$50,000 paid to entities outside the authority.’

SUMMARY

This amendment increases the limit on the principal amount for certain types of bonds issued by the Maine Educational Loan Authority to \$300,000,000. It requires the authority to report to the Joint Standing Committee on Education and Cultural Affairs no later than April 2, 2010 with an account of tax exempt bonds issued and student loan rates.

FISCAL NOTE REQUIRED

(See attached)