

§2908. Bonds and notes of the bank

1. Issuance of bonds; purposes. The bank may, from time to time, issue its bonds in such principal amounts as it determines necessary to provide funds for any purposes authorized by this chapter, including:

- A. The making of loans; [PL 1987, c. 141, Pt. A, §6 (NEW).]
- B. The payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds issued by it whether the bonds or interest to be funded or refunded have or have not become due or subject to redemption prior to maturity in accordance with their terms; [PL 1987, c. 141, Pt. A, §6 (NEW).]
- C. The establishment or increase of the reserves to secure or to pay the bonds or interest on them; and [PL 1987, c. 141, Pt. A, §6 (NEW).]
- D. All other costs or expenses of the bank incident to and necessary or convenient to carry out its corporate purposes and powers. [PL 1987, c. 141, Pt. A, §6 (NEW).]

2. Bonds are special obligations of the bank. Except as otherwise expressly provided in this chapter or by the bank, every issue of bonds shall be special obligations of the bank payable solely from the revenues or funds of the bank made available for the purpose and subject to any agreements with the holders of particular bonds pledging any particular revenues or funds. The bonds may be additionally secured by a pledge of any grants, subsidies, contributions, funds or money from the United States, this State or any political subdivision of the State, any person or a pledge of any income or revenues, funds or money of the bank from any source.
[PL 1987, c. 141, Pt. A, §6 (NEW).]

3. Issuance of notes. The bank may issue its notes for any corporate purpose of the bank from time to time, in such principal amounts as it determines necessary, and may renew or pay and retire or refund the notes from the proceeds of bonds or of other notes, or from any other funds or money of the bank available or to be made available for that purpose, in accordance with any contract between the bank and the holder of the notes and not otherwise pledged. The notes shall be issued in the same manner as bonds and the notes and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which the bonds or a bond resolution of the bank may contain. Unless provided otherwise in any contract between the bank and the holders of notes and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the bank issued, among other things, to fund the outstanding notes, shall be held, used and applied by the bank to the payment and retirement of the principal of those notes and the interest due and payable. The bank may make contracts for the future sale from time to time of the notes, pursuant to which the purchaser shall be committed to purchase the notes from time to time on terms and conditions stated in the contracts, and the bank may pay such consideration as it determines proper for the commitments.
[PL 1987, c. 141, Pt. A, §6 (NEW).]

4. Bonds and notes are negotiable instruments. Whether or not the bonds or notes of the bank are of such form and character as to be negotiable instruments under the Uniform Commercial Code, Title 11, Article 8, the bonds and notes are negotiable instruments within the meaning of and for all the purposes of the Uniform Commercial Code, Title 11, Article 8, subject only to the provisions of the bonds and notes for registration.
[PL 1987, c. 141, Pt. A, §6 (NEW).]

5. Bonds or notes authorized by resolution. Bonds or notes of the bank shall be authorized by resolution of the bank and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates of interest per year, be in such denomination or denominations, be in such coupon or registered form, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable from such sources in such medium

of payment at such place or places inside or outside the State and be subject to such terms of redemption, with or without premium, as the resolution or resolutions may provide.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

6. Signature of officers. If any officer whose signature appears on the bonds, notes or bond coupons ceases to be an officer before the delivery of the bonds, notes or bond coupons, that officer's signature is valid for all purposes as if that officer had remained in office.

[RR 2021, c. 1, Pt. B, §411 (COR).]

7. Sale of bonds or notes. Bonds or notes of the bank may be sold at a public or private sale at a time and at a price determined by the bank.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

8. No consent required for issuance. Bonds or notes of the bank may be issued under this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the State, and without any other proceedings or the happening of any other conditions or acts than those proceedings, conditions or acts which are specifically required by this chapter.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

9. Notes refunded or retired. The bank may from time to time issue its notes as provided under this chapter and pay and retire or fund or refund its notes from proceeds of bonds or of other notes, or from any other funds or money of the bank available or to be made available for this purpose in accordance with any contract between the bank and the holders of the notes. Unless provided otherwise in any contract between the bank and the holders of notes and unless the notes have been otherwise paid, funded or refunded, the proceeds of any bonds of the bank issued, among other things to fund outstanding notes, shall be held, used and applied by the bank to the payments and retirement of the principal of the notes and the interest due and payable on the notes.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). RR 2021, c. 1, Pt. B, §411 (COR).

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