

**§4906. Application of receipts; special reserve fund**

**1. Housing Reserve Fund.** The Maine State Housing Authority shall establish and maintain a special fund called the "Housing Reserve Fund" which consists of:

A. All money appropriated by the State for inclusion in the fund; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. All proceeds of the sale of bonds, required to be deposited in the fund by the terms of the resolution authorizing the sale of the bonds; and [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. Any other money available to the Maine State Housing Authority which it determines to use for this purpose. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

All money held in the Housing Reserve Fund shall be used only to retire bonds of the Maine State Housing Authority issued to purchase mortgage loans or notes, or to maintain the Housing Reserve Fund at an amount equal to the minimum reserve established by the Maine State Housing Authority. Any proceeds beyond the amount necessary to this function may be used to replace matured mortgage loans or notes or to purchase mortgage loans or notes, or to pay any or all expenses of the Maine State Housing Authority up to 1/2 of 1% of the bond value outstanding each year. The minimum amount of this Housing Reserve Fund shall be the minimum amount of money sufficient to meet the maximum payment required in the following calendar year for payment of principal and interest falling due on all other outstanding bonds and retiring all other bonds required by their terms to be retired. These amounts are referred to in this subchapter as the required "minimum reserve."

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**2. Capital Reserve Fund.** The Maine State Housing Authority may establish and maintain one or more special funds called the "Capital Reserve Fund" which consists of:

A. All money appropriated by the State for inclusion in that fund; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. All proceeds of the sale of bonds, required to be deposited in the fund by the terms of the resolution authorizing the sale of those bonds; [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

C. All other money available to the Maine State Housing Authority which it determines to use for this purpose. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

All money held in any Capital Reserve Fund shall be used only to retire those bonds of the Maine State Housing Authority issued to purchase mortgage loans or notes or home improvement notes under the resolution establishing a Capital Reserve Fund, or to maintain a Capital Reserve Fund at an amount equal to the minimum reserve established by the Maine State Housing Authority. Any proceeds beyond the amount necessary to this function may be used to replace matured mortgage loans or notes or home improvement notes or to purchase mortgage loans or notes or home improvement notes or to pay any expenses of the Maine State Housing Authority up to 1/2 of 1% of the bond value outstanding each year under the resolution creating a Capital Reserve Fund. The minimum amount of any Capital Reserve Fund shall be equal to the amounts required under the resolutions pursuant to which the bonds

secured by the Capital Reserve Fund are issued. These amounts are referred to in this subchapter as the required "minimum reserve."

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

**3. Required minimum reserve.** Notwithstanding any other provision of this chapter, no bonds may be issued by the Maine State Housing Authority unless there is in the Housing Reserve Fund or Capital Reserve Fund which will secure those bonds the required minimum reserve for all the bonds issued and to be issued which will be secured by the Housing Reserve Fund or Capital Reserve Fund. The Maine State Housing Authority may satisfy this requirement by depositing so much of the proceeds of the bonds being issued, upon their issuance, as is needed for the fund to achieve the required minimum reserve.

A. In order to ensure the maintenance of the required minimum reserve in the Housing Reserve Fund and in any Capital Reserve Fund to which this paragraph is stated to apply in the resolution establishing the Capital Reserve Fund, there shall be annually appropriated and paid to the Maine State Housing Authority for deposits in those funds, the sum, if any, that is certified by the director of the Maine State Housing Authority to the Governor as necessary to restore any such fund to an amount equal to its required minimum reserve. The director shall annually, by December 1st, make and deliver to the Governor a certificate stating the sum, if any, required to restore any such fund to an amount equal to its required minimum reserve, and the sum or sums so certified shall be appropriated and paid to the Maine State Housing Authority during the then current state fiscal year.

(1) For purposes of valuation of the Housing Reserve Fund or Capital Reserve Fund to which this paragraph applies, securities acquired as an investment for any such fund shall be valued at par or actual cost to the Maine State Housing Authority, whichever value is less. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

B. For any Capital Reserve Fund to which paragraph A is not stated to apply in the resolution establishing the Capital Reserve Fund, there shall be no certification by the director to the Governor or appropriation and payment by the Legislature for deposit in the fund to restore the fund to an amount equal to its required minimum reserve. [PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

[PL 1987, c. 737, Pt. A, §2 (NEW); PL 1987, c. 737, Pt. C, §106 (NEW); PL 1989, c. 6 (AMD); PL 1989, c. 9, §2 (AMD); PL 1989, c. 104, Pt. C, §§8, 10 (AMD).]

#### SECTION HISTORY

PL 1987, c. 737, §§A2,C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8,10 (AMD).

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