

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND ELEVEN

H.P. 54 - L.D. 66

**An Act To Amend the Laws Governing the Capital Reserve Funds of the
Maine Educational Loan Authority**

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Educational Loan Authority will not be able to create or establish any capital reserve funds after June 30, 2011; and

Whereas, immediate enactment of this legislation is necessary to ensure that the Maine Educational Loan Authority's authority to create or establish capital reserve funds does not lapse; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA §11424, sub-§1, as amended by PL 2009, c. 40, §1, is further amended to read:

1. Capital reserve fund. The authority may create and establish one or more capital reserve funds and may pay into any such capital reserve fund any money appropriated and made available by the State for the purposes of any such fund, any proceeds of the sale by the authority of bonds to the extent determined by the authority and any other money available to the authority. The authority may not create or establish any capital reserve fund under this section after June 30, ~~2011~~ 2017.

Sec. 2. 20-A MRSA §11424, sub-§6, as amended by PL 2009, c. 40, §3, is further amended to read:

6. Bonds outstanding. The authority 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 ~~\$300,000,000~~ \$225,000,000. The amount of bonds issued to

refund bonds previously issued may not be taken into account in determining the principal amount of the bonds outstanding, 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 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 must be valued as of any date of calculation at their current accreted value rather than their face value.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

In House of Representatives, 2011

Read twice and passed to be enacted.

..... Speaker

In Senate, 2011

Read twice and passed to be enacted.

..... President

Approved 2011

..... Governor