

MAINE STATE LEGISLATURE

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OFFICE OF
THE GOVERNOR

16 FY 02/03
NO. _____
DATE 14 May 2003 _____

**AN ORDER REQUESTING THE FINANCE AUTHORITY OF MAINE TO ACQUIRE
EDUCATIONAL LOAN NOTES**

WHEREAS, reducing the costs of borrowing in order to finance higher education opportunities is critical to Maine students and families seeking to benefit from education beyond high school; and

WHEREAS, ensuring adequate access to educational loans at the lowest possible cost to students requires establishing a statewide secondary market; and

WHEREAS, a statewide secondary market will provide liquidity for investments in such loans, thereby encouraging and permitting commercial lenders to make additional educational loans; and

WHEREAS, pursuant to PL 2003, Chapter 112, the Governor was given the authority to designate one or more agencies of the State to acquire or finance student loan notes incurred under the federal Higher Education Act of 1965, 20 USC, Ch. 28, Title IV, Part B, as amended; and

WHEREAS, the Finance Authority of Maine has the capability of administering finance programs and, in particular, federal and state student loan finance programs, including the Federal Family Education Loan Program, the Robert Byrd Teachers Scholarship Program, the Educators for Maine Program, the Maine Health Professions Loan Program, and the Maine College Savings Program; and

WHEREAS, the Finance Authority of Maine is accountable to the Legislature and the Governor's Office:

NOW THEREFORE, I, John E. Baldacci, Governor of the State of Maine, pursuant to Title 20-A, section 11407 of the Maine Revised Statutes Annotated, do hereby request the Finance Authority of Maine (hereinafter "Authority") to implement and administer a Maine educational loan secondary market, as provided in Section 150(d) of the Internal Revenue Service Code, using the issuance of both federally tax exempt and taxable bonds for such purpose. This

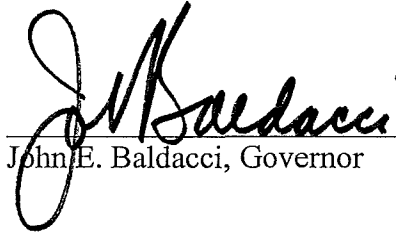
Executive Order is made with the express understanding that the Authority must meet the requirements of State and federal laws and regulations while providing a loan secondary market.

This Executive Order is not a recommendation or an endorsement by the State of Maine of the secondary market that may be administered by the Authority pursuant to this order, nor is this order a recommendation that the State of Maine purchase revenue bonds or other obligations.

Effective Date

The effective date of this Executive Order is 14 May 2003.

This Executive Order revokes and replaces all prior Executive Orders requesting an agency of the State to serve as a loan secondary market, including, without exception, Executive Order 10 FY 86/86 (dated 16 January 1987) and Executive Order 12 FY 82/83 (dated 27 April 1983).



John E. Baldacci, Governor