

# MAINE STATE LEGISLATURE

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1 (EMERGENCY)  
2 (After Deadline)

3 FIRST REGULAR SESSION  
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE  
6

7 Legislative Document

No. 1702

8  
9 S.P. 585

In Senate, May 26, 1983

10 Reference to the Committee on Business Legislation is suggested. Ordered  
11 printed and sent up for concurrence.

12 Approved for introduction by a majority of the Legislative Council pur-  
suant to Joint Rule 27.

EDWIN H. PERT, Clerk

Presented by Senator Pray of Penobscot.  
Cosponsor: Senator Hayes of Penobscot.

13  
14 STATE OF MAINE  
15

16 IN THE YEAR OF OUR LORD  
17 NINETEEN HUNDRED AND EIGHTY-THREE  
18

19 AN ACT to Clarify State Authority  
20 Regarding Higher Education Student Loan  
21 Secondary Markets.  
22

23 **Emergency preamble.** Whereas, Acts of the Legis-  
24 lature do not become effective until 90 days after  
25 adjournment unless enacted as emergencies; and

26 Whereas, higher education for Maine residents and  
27 the financial stability of higher educational insti-  
28 tutions in the State bear directly upon the public  
29 peace, health and safety; and

30 Whereas, the higher educational opportunities for  
31 many Maine residents and for students attending edu-  
32 cational institutions in Maine depend on the availa-  
33 bility of student loans; and

1           Whereas, access to such student loans would be  
2 significantly enhanced by the creation of a secondary  
3 market vehicle financed with the proceeds of feder-  
4 ally tax exempt bonds which would not be debts or  
5 obligations of the State or any municipality; and

6           Whereas, such a secondary market may be formed by  
7 one or more nonprofit corporations organized at the  
8 request of the State; and

9           Whereas, the amount of student lending for the  
10 upcoming academic year would be increased if such a  
11 secondary market is able to make advance loan pur-  
12 chase commitments to lenders prior to September 1983;  
13 and

14           Whereas, current conditions in the national bond  
15 markets would permit the issuance of federally-tax  
16 exempt bonds at interest rates and on terms which  
17 would be feasible and advantageous, but there is no  
18 assurance that the market conditions will be avail-  
19 able 90 days after the adjournment of this Legis-  
20 lature; and

21           Whereas, in the judgment of the Legislature,  
22 these facts create an emergency within the meaning of  
23 the Constitution of Maine and require the following  
24 legislation as immediately necessary for the preser-  
25 vation of the public peace, health and safety; now,  
26 therefore,

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

29           Sec. 1. 20 MRSA §2237 is enacted to read:

30           §2237. Authorization for Governor to request orga-  
31           nizations of corporations to acquire loan  
32           notes

33           To the extent contemplated by the United States  
34           Internal Revenue Code of 1954, Section 103, (e), as  
35           amended, the Governor may on behalf of the State  
36           request the organization of one or more nonprofit  
37           corporations to operate exclusively for the purpose  
38           of acquiring loan notes incurred under the United  
39           States Higher Education Act of 1965, as amended.



1           The purpose of this bill is to recognize the Gov-  
2 ernor as the state official authorized to make such  
3 requests and to confirm actions previously taken by  
4 him pursuant to such authority.

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