

MAINE STATE LEGISLATURE

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DATE: May 24, 1999 (Filing No. S-341)

BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
SENATE
119TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT " A " to S.P. 417, L.D. 1206, Bill, "An Act to Provide for the 1999 and 2000 Allocations of the State Ceiling on Private Activity Bonds"

Amend the bill by inserting after the title the following:

'Preamble. The Constitution of Maine, Article V, Part First, Section 8 provides that certain statutes enacted relating to confirmation procedures for gubernatorial nominees require a 2/3 vote of the members of each House present and voting.'

Further amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 10 MRSA §363, sub-§1-A, as amended by PL 1989, c. 812, §1, is further amended to read:

1-A. Procedure. For ~~calendar-year-1987-and~~ each subsequent calendar year, the Legislature may establish a procedure for allocation of the entire amount of the state ceiling by allocating an amount of the state ceiling to the specific issuers designated in this section for further allocation by each specific issuer to itself or to other issuers for specific bond issues requiring an allocation of the state ceiling or for carryforward. This procedure supersedes the federal formula to the full extent that the United States Code, Title 26, authorizes the Legislature to vary the federal formula. Allocations may be reviewed by the Legislature periodically and unused allocations may be reallocated to other issuers, ~~provided that;~~ however, notwithstanding the existence of legislation allocating or

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2 reallocating all or any portion of the state ceiling, at any time
3 during the period from September 1st to and including December
4 31st of any calendar year, and at any other time that the
5 Legislature is not in session, a group consisting of a
6 representative of each of the issuers specifically identified in
7 subsections 4 to 8 7; a representative of a corporation created
8 pursuant to Title 20, section 2237 and Title 20-A, section 11407;
9 and the Governor designated each year by the Governor may, by
10 unanimous written agreement executed by no fewer than 5 of the 6
11 representatives of each of the issuers, allocate amounts not
12 previously allocated and reallocate unused allocations from one
13 of the specific issuers designated in this section to another
14 specific issuer for further allocation or carryforward, with
15 respect to the state ceiling for that calendar year only.

16 **Sec. 2. 10 MRSA §363, sub-§8,** as amended by PL 1989, c. 502,
17 Pt. A, §27, is further amended to read:

18 **8. Allocations for educational bonds.** That portion of the
19 state ceiling allocated to the categories of bonds providing
20 funds for the purposes of a corporation created pursuant to Title
21 20, section 2237, and Title 20-A, section 11407, or of the Maine
22 Educational Loan Authority shall must be allocated to that
23 corporation or to the Maine Educational Loan Authority, or both,
24 and each may further allocate the portion of the state ceiling
25 allocated to it to bonds requiring an allocation to qualify as
26 tax-exempt bonds. That portion of the state ceiling allocated to
27 the issuance of bonds for education loans for the Loans to
28 Lenders Pilot Program must be allocated to the Finance Authority
29 of Maine.

30 A. Prior to receiving an allocation of the state ceiling
31 for the issuance of education loans, an issuer or lender
32 must provide to the appropriate agency within the Department
33 of Professional and Financial Regulation examples of the
34 disclosures to be made to loan recipients or obligors. The
35 information must be provided to the Bureau of Banking if the
36 issuer or lender is a financial institution or credit union
37 established pursuant to state or federal law or to the
38 Office of Consumer Credit Regulation for all other issuers
39 or lenders. This information must be provided to the
40 appropriate agency within the Department of Professional
41 Financial Regulation upon request, or in the course of an
42 examination of the issuer or lender by the agency, and must
43 include a description of any interest rate or other
44 discounts offered that clearly identifies all of the terms
45 and conditions of obtaining any discount, a projection of
46 the approximate number or percentage of loan obligors who
47 are likely to benefit from the discounts and any other
48 disclosures pursuant to guidelines established by the Bureau
49 of Banking.

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2 of Banking and the Office of Consumer Credit Regulation for
the issuance of education loans that would benefit from an
4 allocation of the state ceiling. The Bureau of Banking and
the Office of Consumer Credit Regulation shall jointly
6 adopt, to the extent allowed by law, rules to carry out the
provisions of this paragraph by establishing uniform
8 disclosure requirements and sanctions for noncompliance.
Rules adopted pursuant to this paragraph are routine
10 technical rules, as defined in Title 5, chapter 375,
subchapter II-A. All information provided to the
12 appropriate agencies within the Department of Professional
and Financial Regulation must include the source of the
information and the basis for any projections.

14
16 B. All education loans made under the federal Higher
Education Act of 1965, 20 United States Code, Chapter 28
18 that are purchased or originated with proceeds of tax-exempt
bonds using a portion of the state ceiling on private
20 activity bonds must be guaranteed by the state agency
designated as administrator of federal guaranteed student
22 loan programs pursuant to Title 20-A, chapter 417,
subchapter I, provided that this requirement does not apply
24 to serial loans of a borrower that are guaranteed by a
different guarantee agency and acquired or financed with
26 tax-exempt bond proceeds prior to the effective date of this
paragraph. The state agency designated as administrator of
28 federal guaranteed student loan programs pursuant to Title
20-A, chapter 417, subchapter I shall use its best efforts
30 to provide competitive rates for the guarantee function.
This paragraph is repealed on July 15, 2000.

32 Sec. 3. 10 MRSA §363, sub-§9, as amended by PL 1989, c. 224,
§2, is further amended to read:

34
36 9. Use of carryforward. In the event that any issuer has
made a ~~carry-forward~~ carryforward election under the United
38 States Code, Title 26, Section 146(f), as amended, the issuer
shall use, to the extent possible and consistent with the purpose
40 for which the ~~carry-forward~~ carryforward was elected, the
~~carry-forward~~ carryforward for issues subject to the state
42 ceiling prior to allocating any portion of the state ceiling for
the applicable calendar year to the issue. To the extent
44 permitted by federal law, a group consisting of a representative
of each of the issuers specifically identified in subsections 4
46 to 8 7; a representative of a corporation created pursuant to
Title 20, section 2237 and Title 20-A, section 11407; and a
48 representative of the Governor designated each year by the
Governor may reallocate, by unanimous written agreement executed
50 by no fewer than 5 of the 6 representatives ~~of each of the~~
issuers, ~~carry-forward~~ carryforward amounts from one of the

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specific issuers designated in this section to another specific issuer.

Sec. 4. 10 MRSA §363, sub-§§10 and 11 are enacted to read:

10. Allocation for benefit of State. All of the allocation of the state ceiling must be used for a purpose that benefits individuals, communities or businesses in this State. For purposes of this subsection, a bond issuance is presumed to benefit individuals, communities or businesses in this State if it benefits business operations located in this State, residents of this State, students attending institutions of higher education in this State, residents of this State attending institutions of higher education outside this State or municipalities in this State. An allocation of the state ceiling may only be used to purchase student loans if the borrower is a resident of this State or is a student attending an institution of higher education in this State or if the borrower has previously obtained a student loan while a resident of this State or while attending an institution of higher education in this State. A student eligible to receive the benefit of a portion of the state ceiling remains eligible for student loans notwithstanding any changes in residency or institution attended.

11. Annual review. By March 15th of each year, each issuer identified in subsections 4 to 8 shall deliver a report to the Governor and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. Each report must include, without limitation, a review of what bonds have been issued in the most recent year, how the state ceiling was allocated or carried forward and who has benefited from the proceeds of the tax-exempt bonds in that year. In addition, each report must be accompanied by a letter from an independent accountant addressing the savings attributable to the use of tax-exempt financing and how that savings was passed on to the entities or individuals benefiting from the bond proceeds.

Sec. 5. 20-A MRSA §11407, as amended by PL 1989, c. 812, §3, is further amended to read:

§11407. Authorization for Governor to request organizations of corporations to acquire loan notes

To the extent and for the purposes contemplated by the federal Internal Revenue Code of 1954, Section 103(e), as amended, and successor provisions thereto, including without limitation the federal Internal Revenue Code of 1986, Section 150(d), as amended, the Governor may on behalf of the State request the organization of one or more nonprofit corporations to

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operate exclusively for the purpose of acquiring student loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended. A nonprofit corporation formed under this section shall report annually on its activities during the previous fiscal year to the joint standing committee of the Legislature having jurisdiction over economic development matters, the joint standing committee of the Legislature having jurisdiction over appropriation matters and the joint standing committee of the Legislature having jurisdiction over education matters. That report must include a listing of the current directors and officers of the corporation, a summary of the corporation's purchases of loans in the secondary market during the previous fiscal year, a listing of the institutions from which loans were purchased during the previous fiscal year, a summary of the organization's direct student loans and a complete financial statement of the corporation's operations for the previous fiscal year, including a breakdown of income and costs, a breakdown of the administrative and operating costs of the corporation, a breakdown of the assets and liabilities of the corporation, total excess revenues over expenditures for the previous fiscal year and the total accumulation of these revenues, total income derived from investments during the previous fiscal year and a breakdown showing the disposition and use of excess revenues and the proceeds from investments. That report must include similar information on all affiliated entities. That report must be provided annually in writing to the committee by December 1st.

All education loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 by a nonprofit corporation formed under this section that are acquired with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

Sec. 6. 20-A MRSA §11415, sub-§1, as amended by PL 1995, c. 519, §6, is further amended to read:

1. **Composition.** There are 7 voting members of the authority, 5 of whom must be appointed by the Governor, subject to review by the joint standing committee of the Legislature

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having jurisdiction over economic development matters and confirmation by the Legislature.

Sec. 7. Allocation to Treasurer of State. No portion of the state ceiling for calendar year 1999 was previously allocated to the Treasurer of State. No portion of the state ceiling for calendar year 2000 is allocated to the Treasurer of State.

Sec. 8. Allocation to Finance Authority of Maine. The \$25,000,000 of the state ceiling for calendar year 1999 previously allocated to the Finance Authority of Maine remains allocated to the Finance Authority of Maine to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 6. Ten million dollars of the state ceiling for calendar year 1999 previously unallocated is now allocated to the Finance Authority of Maine to be used for higher education loans under the Loans to Lenders Pilot Program in accordance with that section of this Act that establishes the Loans to Lenders Pilot Program. Twenty-five million dollars of the state ceiling for calendar year 2000 is allocated to the Finance Authority of Maine to be used or reallocated in accordance with Title 10, section 363, subsection 6.

Sec. 9. Allocation to Maine Municipal Bond Bank. The \$10,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Municipal Bond Bank remains allocated to the Maine Municipal Bond Bank to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7. Ten million dollars of the state ceiling for calendar year 2000 is allocated to the Maine Municipal Bond Bank to be used or reallocated in accordance with Title 10, section 363, subsection 7.

Sec. 10. Allocation to Maine Educational Loan Authority. The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Authority remains allocated to the Maine Educational Loan Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

Sec. 11. Allocation to Maine Educational Loan Marketing Corporation. The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Marketing Corporation remains allocated to the Maine Educational Loan Marketing Corporation to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

Sec. 12. Allocation to Maine State Housing Authority. The \$40,000,000 of the state ceiling for calendar year 1999

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2 previously allocated to the Maine State Housing Authority remains
3 allocated to the Maine State Housing Authority to be used or
4 reallocated in accordance with the Maine Revised Statutes, Title
5 10, section 363, subsection 4. Forty million dollars of the
6 state ceiling for calendar year 2000 is allocated to the Maine
7 State Housing Authority for the same uses.

8 **Sec. 13. Unallocated state ceiling.** Twenty-five million dollars
9 of the state ceiling for calendar year 1999 remains unallocated
10 and must be reserved for future allocation in accordance with
11 applicable laws. Seventy-five million dollars of the state
12 ceiling for calendar year 2000 is unallocated and must be
13 reserved for future allocation in accordance with applicable laws.

14 **Sec. 14. Pilot program established.** The Loans to Lenders Pilot
15 Program is established within the Finance Authority of Maine to
16 study the feasibility of and implement a pilot program by which
17 lending institutions may access a portion of the proceeds of
18 bonds issued using an allocation of the state ceiling allocated
19 to the Finance Authority of Maine for education loans.

20 **1. Issuance; purpose; payment; authorization; interim
21 receipts or certificates.** Pursuant to the Loans to Lenders Pilot
22 Program, the Finance Authority of Maine may issue bonds without
23 limitation for the purpose of making loans to financial
24 institutions that make loans for educational purposes and are
25 authorized to do business in the State as defined in the Maine
26 Revised Statutes, Title 9-B, section 131, subsection 17-A. The
27 bonds of each issue must be payable from those sources specified
28 in the agreement with bondholders, including without limitation:
29 principal and interest on loans; guarantee payments or any
30 payments received from the Federal Government with respect to
31 loans for educational purposes; payments by institutions, banks,
32 insurance companies or others pursuant to letters of credit or
33 purchase agreements; investment earnings from funds or accounts
34 maintained pursuant to a trust agreement or other document;
35 insurance proceeds; loan funding deposits; proceeds from sales of
36 education loans; proceeds from refunding bonds; and other fees,
37 charges or revenues of the authority.

38 A. The Finance Authority of Maine is responsible for
39 administering the Loans to Lenders Pilot Program and the
40 administration of the Loans to Lenders Pilot Program is a
41 purpose of the Finance Authority of Maine pursuant to Title
42 10, section 1013.

43 B. The Loans to Lenders Pilot Program is a program
44 authorized pursuant to Title 20-A, chapter 417-B, to which

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sections 11442 to 11457 apply, except as expressly stated in paragraph C.

C. Notwithstanding paragraph B, for purposes of the Loans to Lenders Pilot Program:

(1) The term "education loan series portfolio" means all education loans made by a specific institution that are funded from or acquired by the proceeds of a Finance Authority of Maine loan to the institution out of the proceeds of a specific related bond issue through the authority;

(2) The term "institution" includes a financial institution described in this subsection; and

(3) All references in Title 20-A, chapter 417-B to the Student Financial Aid Supplemental Loan Program that are determined by the Finance Authority of Maine to be required for the implementation and administration of the Loans to Lenders Pilot Program are considered references to the Loans to Lenders Pilot Program.

2. Rules. The Finance Authority of Maine shall adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A, setting forth a process for the distribution of the proceeds of bonds issued under the Loans to Lenders Pilot Program. The process established must have a goal of providing the greatest possible benefit to education loan borrowers. As part of its rulemaking, the Finance Authority of Maine shall develop criteria for determining whether a financial institution is qualified to participate in the Loans to Lenders Pilot Program. Such criteria must include, at a minimum, the ability to demonstrate how the student will benefit from the loan program.

3. Interim report. The Finance Authority of Maine shall submit an interim report to the Joint Standing Committee on Business and Economic Development by January 14, 2000. The report must outline the elements of the Loans to Lenders Pilot Program, including rules adopted to implement the program. The report must also include an assessment of the effectiveness of the Loans to Lenders Pilot Program and whether the program should continue.

4. Unused funds. If a determination is made by the Finance Authority of Maine that institutions are not eligible to receive bond proceeds issued by the Finance Authority of Maine under the Loans to Lenders Pilot Program, any unused bond allocation allocated to the Finance Authority of Maine for education loans

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2 pursuant to that section of this Act that makes allocation to the
Finance Authority of Maine must be reallocated to the unallocated
4 portion of the state ceiling by December 15, 1999. If bonds can
be issued under the Loans to Lenders Pilot Program but have not
6 been issued by December 31, 1999, the unused bond allocation must
be carried forward. The Finance Authority of Maine has the
8 authority to carry forward that portion of the state ceiling
allocated to the Finance Authority of Maine for education loans.

10 **5. Termination.** The authority of the Finance Authority of
Maine to issue bonds under the Loans to Lenders Pilot Program
12 terminates on March 1, 2000.

14 **Sec. 15. Commission on the State Ceiling on Tax-exempt Bonds.**

16 **1. Establishment.** The Commission on the State Ceiling on
Tax-exempt Bonds, referred to in this section as the
18 "commission," is established to study the allocation of the state
ceiling on tax-exempt bonds.

20 **2. Membership.** The commission consists of 7 members having
22 a broad range of expertise in areas including accounting,
business, banking, law and higher education who are not involved
24 with the state ceiling allocation, appointed as follows: Three
members appointed by the Governor, 2 members appointed by the
26 President of the Senate and 2 members appointed by the Speaker of
the House.

28 **3. Appointments; chair.** All appointments must be made no
30 later than 45 days following the effective date of this Act.
Upon making their appointments, the appointing authorities shall
32 notify the Executive Director of the Legislative Council. The
Governor, the President of the Senate and the Speaker of the
34 House shall designate one member to serve as chair of the
commission, who shall call and convene the first meeting of the
36 commission no later than July 30, 1999.

38 **4. Duties.** The commission shall study issues related to
the allocation of the state ceiling on tax-exempt bonds,
40 including, but not limited to, the following:

42 A. The current bond allocation and reallocation process,
the purposes for using the state ceiling on tax-exempt
44 bonds, the public benefits derived from the use of the state
ceiling, the composition of the bond issuers group
46 authorized to allocate and reallocate the state ceiling and
appropriate accountability mechanisms for the use of the
48 state ceiling;

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- 2 B. The history of and current structure for use of state
resources for delivery of student loans;

- 4 C. The need for and appropriate role for a state-designated
6 guarantee agency, the services and resources a guarantee
agency should provide, the required use of a
8 state-designated guarantee agency for student loans and a
survey of alternative guarantors with an analysis of
10 advantages and disadvantages to borrowers and the State.

- 12 D. The need for allocation of a portion of the state
ceiling on private activity bonds to student loans, the
14 savings attributable to the use of the state ceiling and how
the savings can best be passed on to borrowers;

- 16 E. The current structure of higher education finance in
18 this State, including analysis of the secondary loan market
and the supplemental loan market, how entities involved in
20 higher education lending provide loans and other services to
students and parents in this State and whether there are
22 appropriate accountability mechanisms for the use of the
state ceiling and other public resources by the entities.

- 24 F. Whether there is sufficient access to student loans, the
26 benefits and disadvantages of various student loan discount
programs and how those benefits and disadvantages should be
28 disclosed to borrowers; and

- 30 G. Whether tax-exempt bond proceeds can be used to fund
student loans by private lenders and, if so, what the
32 advantages and disadvantages would be and how to implement
such a program.

- 34 **5. Report.** No later than January 14, 2000, the commission
shall submit a report of its findings, together with any
36 necessary implementing legislation, to the Joint Standing
Committee on Business and Economic Development. The report must
38 include recommendations with respect to the required use of the
state-designated guarantee agency for student loans and the
40 continuation of the Loans to Lenders Pilot Program. The Joint
Standing Committee on Business and Economic Development may
42 report out any legislation during the Second Regular Session of
the 119th Legislature concerning the findings and recommendations
44 of the commission.

- 46 **6. Funding.** The costs of the commission's activities, not
to exceed \$50,000, must be borne equally by the Maine Educational
48 Loan Authority and the Finance Authority of Maine. Within 45
days of its first meeting, the commission shall prepare a budget
50 and work plan and provide them to the Executive Director of the

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2 Legislative Council. The commission shall administer the
3 commission's budget and shall include an accounting of its
4 funding and expenditures as part of its report.

5 **7. Staffing.** The commission may contract with a consultant
6 or expert to provide primary staff support. The Commissioner of
7 Professional and Financial Regulation, the Commissioner of
8 Education, the Executive Director of the Maine Educational Loan
9 Authority and the Chief Executive Officer of the Finance
10 Authority of Maine shall be available to provide technical
11 assistance to the commission.

12 **8. Compensation.** Public members not otherwise compensated
13 by their employers or other entities whom they represent are
14 entitled to receive reimbursement of necessary expenses and a per
15 diem equal to the legislative per diem for their attendance at
16 authorized meetings of the commission.

17 **9. Commission meetings.** Meetings of the commission are
18 public proceedings and records of the commission are public
19 records as defined in the laws governing freedom of access, Maine
20 Revised Statutes, Title 1, chapter 13.'

21 Further amend the bill by inserting at the end before the
22 summary the following:

23 **FISCAL NOTE**

24 The establishment of the allocations of the state ceiling on
25 private activity bonds for calendar years 1999 and 2000 will not
26 affect the general or moral obligation of the State.

27 The additional costs associated with an annual review and
28 report on bonds issued under the state ceiling can be absorbed by
29 the Maine Municipal Bond Bank, the Finance Authority of Maine,
30 the Maine Educational Loan Authority, the Maine State Housing
31 Authority and the Office of the State Treasurer utilizing
32 existing budgeted resources.

33 The Department of Professional and Financial Regulation will
34 incur some minor additional costs to adopt rules establishing
35 uniform disclosure and sanctions related to issuers and lenders
36 of certain educational loans. These costs can be absorbed within
37 the department's existing budgeted resources.

38 The Finance Authority of Maine will incur some minor
39 additional costs to adopt rules to establish the Loans to Lenders
40 Pilot Program and to administer the program. These costs can be
41 absorbed within the authority's existing budgeted resources.

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2 The Finance Authority of Maine and the Maine Educational
4 Loan Authority will also incur costs related to the Commission on
6 the State Ceiling on Tax-exempt Bonds for the per diem and
8 expenses of certain public members and to contract with a
10 consultant or expert to provide primary staff support. The bill
12 directs them to share equally the costs of the commission's
14 activities up to a maximum cost of \$50,000. The authorities will
16 absorb those costs. The additional costs associated with
18 providing technical assistance to the commission can be absorbed
20 by the Department of Professional and Financial Regulation, the
22 Department of Education and the authority utilizing existing
24 budgeted resources.'

SUMMARY

18 The amendment establishes the allocation of the state
20 ceiling on issuance of tax-exempt bonds for calendar years 1999
22 and 2000. Under federal law, a maximum of \$150,000,000 in
24 tax-exempt bonds benefiting private individuals or entities may
26 be issued in Maine each year. This amendment allocates the state
28 ceiling among the state-level issuers of tax-exempt bonds.

30 The amendment establishes the Loans to Lenders Pilot Program
32 to study the feasibility of and implement a pilot program by
34 which private lending institutions may access a portion of the
36 proceeds of bonds issued using an allocation of the state ceiling
38 allocated to the Finance Authority of Maine for education loans.
40 The authority of the Finance Authority of Maine to issue bonds
42 under the Loans to Lenders Pilot Program terminates on March 1,
44 2000.

46 The amendment changes membership of the group that may
48 allocate and reallocate with respect to the state ceiling during
50 any time that the Legislature is not in session to include a
 representative of each of the following: the Maine State Housing
 Authority; the Treasurer of State; the Finance Authority of
 Maine; the Maine Municipal Bond Bank; a corporation created
 pursuant to the Maine Revised Statutes, Title 20, section 2237
 and Title 20-A, section 11407; and the Governor.

 The amendment requires that bonds issued using an allocation
 of the state ceiling be used for the benefit of Maine
 individuals, communities or businesses and requires bond issuers
 to annually report to the Governor and the Legislature on who
 benefited from the state ceiling.

 The amendment requires an issuer or lender to provide, prior
 to receiving an allocation of the state ceiling for the issuance

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2 of education loans, examples of the disclosures to be made to
loan recipients or obligors. It also requires that federally
4 authorized student loans purchased or originated with proceeds of
tax-exempt bonds using a portion of the state ceiling be
6 guaranteed by the Finance Authority of Maine until July 15,
2000. It also requires the Finance Authority of Maine to use its
8 best efforts to provide competitive rates for the guarantee
function. The amendment also creates the requirement that the
10 members of the Maine Educational Loan Authority are subject to
confirmation by the Legislature.

12 The amendment also establishes the Commission on the State
Ceiling on Tax-exempt Bonds to study the allocation of the state
14 ceiling on tax-exempt bonds. The commission shall report its
findings and proposed legislation to the Joint Standing Committee
16 on Business and Economic Development by January 14, 2000.

18 This amendment adds a fiscal note to the bill.