

MAINE STATE LEGISLATURE

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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

124TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 325, L.D. 856, Bill, "An Act To Ensure the Availability of Supplemental Educational Loans"

Amend the bill by striking out all of section 2 (page 1, lines 30 and 31 in L.D.) and inserting the following:

Sec. 2. 20-A MRSA §11424, sub-§6, as enacted by PL 1987, c. 807, §3, is amended to read:

6. Bonds outstanding. The authority shall 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 \$50,000,000 \$300,000,000. The amount of bonds issued to refund bonds previously issued shall may not be taken into account in determining the principal amount of the bonds outstanding, provided that 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 which 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 shall must be valued as of any date of calculation at their current accreted value rather than their face value.

Sec. 3. Report of bond and loan activity. The Maine Educational Loan Authority shall submit a report to the Joint Standing Committee on Education and Cultural Affairs no later than April 2, 2010 summarizing the authority's bond and loan activity from the effective date of this Act through March 15, 2010. The report must include an account of tax exempt bonds issued during this period with amounts and rates for each issue. The report must include an account of bonds issued prior to the effective date of this Act that have been refinanced, the change in interest rates for these bonds and the bond cap available as of March 15, 2010.

The Maine Educational Loan Authority shall also report the rates on alternative loans originating after the effective date of this Act and changes in rates for loans outstanding on the effective date of this Act. The report must also include an account of any fees in excess of \$50,000 paid to entities outside the authority.'

COMMITTEE AMENDMENT

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SUMMARY

This amendment increases the limit on the principal amount for certain types of bonds issued by the Maine Educational Loan Authority to \$300,000,000. It requires the authority to report to the Joint Standing Committee on Education and Cultural Affairs no later than April 2, 2010 with an account of tax exempt bonds issued and student loan rates.

FISCAL NOTE REQUIRED

(See attached)



124th MAINE LEGISLATURE

LD 856

LR 1279(02)

An Act To Ensure the Availability of Supplemental Educational Loans

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Education and Cultural Affairs

Fiscal Note Required: Yes

Fiscal Note

Potential contingent liability - General Fund

Fiscal Detail and Notes

Increasing the cap placed on the principal amount of a certain type of bond that the Maine Educational Loan Authority may have outstanding at one time expands the pledge of the moral obligation of the State for student loan bonds.