

# MAINE STATE LEGISLATURE

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L.D. 66

Date: 4/29/11

(Filing No. H-149 )

**EDUCATION AND CULTURAL AFFAIRS**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
125TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 54, L.D. 66, Bill, "An Act To Amend the Laws Governing the Capital Reserve Funds of the Maine Educational Loan Authority"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting the following:

**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, 2014 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.'

**COMMITTEE AMENDMENT**

H. of S.

COMMITTEE AMENDMENT "A" to H.P. 54, L.D. 66

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**SUMMARY**

This amendment strikes the bill and replaces it to extend the termination date for the Maine Educational Loan Authority's authority to create or establish capital reserve funds to June 30, 2017. The amendment also decreases the limit on the principal amount for certain types of bonds issued by the Maine Educational Loan Authority to \$225,000,000.

**FISCAL NOTE REQUIRED**

**(See attached)**



Approved: 02/08/11 *MAC*

# 125th MAINE LEGISLATURE

LD 66

LR 795(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A"  
Committee: Education and Cultural Affairs  
Fiscal Note Required: Yes

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### Fiscal Note

Potential contingent liability - General Fund

#### Fiscal Detail and Notes

Decreasing the cap placed on the principal amount of bonds that the Maine Educational Loan Authority may have outstanding at one time reduces the pledge of the moral obligation of the state for student loan bonds. However, extending the timeframe that the Authority has to create or establish a capital reserve fund from June 30, 2011 to June 30, 2017 will extend the State's moral obligation for student loan bonds beyond June 30, 2011.