

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**  
AS PASSED BY THE

ONE HUNDRED AND TENTH LEGISLATURE

**SECOND SPECIAL SESSION**

September 25, 1981

AND

**THIRD SPECIAL SESSION**

December 9, 1981

AND

**SECOND REGULAR SESSION**

January 6, 1982 to April 13, 1982

AND AT THE

**FOURTH SPECIAL SESSION**

April 28, 1982 to April 29, 1982

AND AT THE

**FIFTH SPECIAL SESSION**

May 13, 1982

PUBLISHED BY THE DIRECTOR OF LEGISLATIVE RESEARCH IN  
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 164, SUBSECTION 6.

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J.S. McCarthy Co.  
Augusta, Maine  
1981

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND AND THIRD SPECIAL SESSIONS

and

SECOND REGULAR SESSION

and

FOURTH AND FIFTH SPECIAL SESSIONS

of the

ONE HUNDRED AND TENTH LEGISLATURE

1981

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## CHAPTER 678

H.P. 2296 - L.D. 2128

### AN ACT Permitting the Establishment of Student Loan Corporations.

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

20 MRSA c. 304-A is enacted to read:

#### CHAPTER 304-A

#### STUDENT LOAN CORPORATIONS

##### §2281. Declaration of policy

It is declared to be the policy of this State that, for the benefit of the people of the State, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions, it is essential that students attending Maine higher educational institutions be given the fullest opportunity to learn and develop their intellectual and mental capacities. It is recognized that the financial costs to obtain an education beyond the high school level are often burdensome or prohibitive, and it is essential that qualified students be provided with low-cost financial assistance in order to attend those schools and to reduce the total amount of loan payments following graduation. It is essential that educational institutions within the State be provided with appropriate additional means to assist qualified students financially in achieving the required levels of learning and development of their intellectual and mental capacities. The Legislature has conferred certain powers on student loan corporations and on the Maine Health and Higher Educational Facilities Authority to assure the successful origination, distribution and collection of loans so as to accomplish the purposes of this chapter, all to the public benefit and good. It is declared that the exercise by the student loan corporations of the authority of powers conferred under this chapter will constitute the performance of an essential governmental function.

##### §2282. Definitions

As used in this chapter, unless the context otherwise

indicates, the following terms have the following meanings.

1. Authority. "Authority" means the Maine Health and Higher Educational Facilities Authority, established under Title 22, section 2054.

2. Institution for higher education. "Institution for higher education" means any institution for post-secondary or higher education, as defined in Title 22, section 2053, subsection 4-B, the University of Maine and, in addition, means any institution which awards an undergraduate or advanced degree.

3. Student loan corporation. "Student loan corporation" means any corporation established under section 2283.

#### §2283. Student loan corporations authorized

Any institution or consortium of institutions for higher education may form a voluntary nonprofit student loan corporation in accordance with this chapter for the purposes specified in this chapter. An institution for higher education may form a student loan corporation either:

1. Organizing new student loan corporation. By organizing a new voluntary nonprofit student loan corporation as provided in this chapter; or

2. By amending the articles of incorporation and bylaws of an existing nonprofit corporation organized under Title 13-B, or its predecessors, to conform the articles and bylaws to the requirements of this chapter.

#### §2284. Incorporators

1. Formation of student loan corporation. An institution for higher education may, by a 2/3 vote of its board of trustees or other governing body, agree to form or to join with other institutions for higher education to form, a student loan corporation for the purpose of providing low-cost financial assistance to qualified students enrolled at that institution or to the parents of these students. The student loan corporation shall be organized under the provisions of Title 13-B and the incorporators shall be persons as are authorized by the trustees or other governing body.

2. Incorporators deemed to acting on behalf of board. Incorporators shall be deemed to be acting in their capacities as members of and on behalf of the board of trustees or other governing body.

§2285. Purposes

The articles of agreement of a student loan corporation shall contain the following:

1. Name. The name of the student loan corporation, which shall clearly identify the institution or institutions for higher education with which it is associated and shall end with the words "Student Loan Corporation;"

2. Purposes. Each student loan corporation shall be operated exclusively for the purpose of providing loans to qualified students attending the institution or institutions for higher education with which it is associated, or to the parents of those students; and

3. Adoption of procedures. Each student loan corporation shall adopt procedures for determining eligibility for loans, procedures for the making and collection of loans and other procedures as may be necessary or convenient for the administration of the student loan program.

§2286. Issuance of bonds

1. Authority to issue. The Maine Health and Higher Educational Facilities Authority may issue revenue bonds and other obligations and to loan the proceeds thereof to one or more student loan corporations for the purposes set forth in this chapter.

2. Limitations. No bonds or other obligations may be issued unless the authority determines that:

A. The issuance of low-cost loans by the student loan corporation to qualified students will assist the students in attending their institution for higher education and will lower the cost to the students or their parents of financing the students' educations;

B. Adequate provision has been or will be made for the payment of the principal of, or interest on, any obligations issued by the authority to finance these loan programs;

C. Adequate provision has been made for the payment of the reasonable expenses of the authority related to administration of the student loan corporations as are necessitated by their programs; and

D. The proposed procedures for redistribution of the bond proceeds, collection of student payments, interest charges and any other matters concerning the adminis-

tration of the student loan corporations are in con-  
formance with the law.

3. Powers of the authority. The authority, to further  
its student loan corporation programs, may:

A. Determine the nature of student loan corporation  
programs for which it will issue its bonds;

B. Enter into contracts for any or all student loan  
corporation program purposes;

C. Enter into contracts for the administration or  
servicing of student loan corporation issued loans;

D. Designate a particular institution or institutions  
for higher education, or student loan corporation or  
corporations, as its agent for accomplishing its pur-  
poses;

E. Make loans with proceeds of the sale of its bonds  
to any student loan corporation in accordance with an  
agreement between the authority and the student loan  
corporation; provided, that the proceeds of the loan  
shall be used by the student loan corporation to pur-  
chase, originate or make loans to eligible students or  
to the parents of those students;

F. Receive and accept, from any public agency or any  
other source, loans, grants, guarantees or insurance  
with respect to student loans and the student loan cor-  
poration programs;

G. Establish guidelines governing the actions of  
student loan corporations and institutions for higher  
education in participating in the authority's student  
loan corporation program; and

H. Exercise all powers incidental and necessary for  
the performance of the powers listed in this subsec-  
tion.

§2287. Rights of the authority and student loan corpora-  
tions

In issuing bonds for a student loan corporation pro-  
gram, the authority and any student loan corporations cre-  
ated under this chapter have all the power and authority and  
are subject to all of the rights, liabilities and responsi-  
bilities as set out in Title 22, section 2055 which do not  
conflict with this chapter. Nothing in this chapter other-  
wise limits any other bond issuance or other powers of the

authority set forth in Title 22, section 2055.

§2288. Bonds of the authority

1. Authorization; bond anticipation notes. The authority is authorized from time to time to issue its negotiable bonds for the purposes specified in this chapter. In anticipation of the sale of these bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time. The notes shall be paid from revenues derived from loans to student loan corporations, or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the bonds. The notes and the resolution or resolutions authorizing the notes may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

2. Bonds not a debt or liability of the State. Revenue bonds issued under this chapter do not constitute a debt or liability of the State, of any municipality or political subdivision of the State or a pledge of the faith and credit of the State or of any municipality or political subdivision.

3. Payments. These revenue bonds are payable solely from the revenues or other funds derived from student loan corporation issued loans, either directly or indirectly provided by this chapter for their payments. All these revenue bonds shall contain on the face of the bond a statement of the effect that neither the State nor the authority is obligated to pay the bond or the interest on the bond except from revenues or other funds derived from student loan corporation issued loans, either directly or indirectly provided by this chapter, and that neither the faith and credit nor the taxing power of the State or of any municipality or political subdivision of the State is pledged to the payment of the principal of or the interest on the bonds. The issuance of revenue bonds under this chapter shall not directly or indirectly or contingently obligate the State or any municipality or political subdivision of the State to levy or to pledge any form of taxation whatever for the bonds or to make any appropriation for their payment.

4. Provisions of bonds. The bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the members of the authority and shall bear the date or dates, mature at the time or times, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in lawful money of the United



States at the place or places and be subject to the terms of redemption as the resolution or resolutions may provide. The bonds or notes may be sold at public or private sale for the price or prices as the authority determines. The power to fix the date of sale of bonds and to take all other necessary action to sell and deliver bonds may be delegated to the executive director of the authority by resolution of the authority. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for those definitive bonds.

5. Resolutions. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions which shall be a part of the contract with the holders of the bonds to be authorized as to:

A. Pledging the revenues to be derived from the student loan corporation or any revenue-producing contract or contracts made by the authority with the student loan corporations to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist;

B. The fees and other charges to be charged, the amounts to be raised in each year thereby and the use and disposition of the revenues;

C. The setting aside of reserves or sinking funds and the regulation and disposition thereof;

D. Limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging these proceeds to secure the payment of the bonds or any issue of the bonds;

E. The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which this consent may be given;

F. Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of these holders in the event of a default; and

G. Such other additional covenants, agreements and provisions as are judged advisable or necessary by the authority for the security of the holders of these bonds.

6. No personal liability. Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes to be subject to any personal liability or accountability by reason of the issuance thereof.

§2289. Source of payment of expenses

All reasonable expenses incurred in carrying out this chapter shall be payable by the respective student loan corporations, and no liability or obligation shall be incurred by the authority or any other state agency.

§2290. Administration of student loan corporation issued loans; no discrimination

1. Administration. A student loan corporation shall have full power and authority and be subject to all rights, responsibilities and liabilities for the administration of a student loan program and for the distribution and collection of loans to qualified students, including the determination of who is eligible to receive loans, the amounts of the loans, repayment schedules and interest rates to be charged; provided, that the terms are in accordance with law and do not discriminate against any person on account of race, creed, national origin, sex or age.

2. Contracts for services. Student loan corporations are authorized to contract with other service corporations to provide bookkeeping, data processing and related fiscal services required for the conduct of their business.

§2291. Exemption from taxation

The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the State, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and shall constitute the performance of an essential governmental function. Neither the authority nor the student loan corporations may be required to pay any taxes or assessments upon or in respect of loans made by the authority or its agents or under the jurisdiction, control, possession or supervision of the authority or the student loan corporations or upon the activities of the authority or the student loan corporations or their agents in the operation or maintenance of student loan corporation programs pursuant to this chapter, or upon income or other revenues received therefrom, and any bonds, notes and other obligations issued under this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, as well as the income and property of the author-

ity, are at all times exempt from taxation of every kind by the State and by the municipalities and all other political subdivisions of the State.

§2292. Bonds declared legal investments

Bonds and notes issued by the authority under this chapter are made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies and associations and other person carrying on an insurance business, trust companies, banks, bankers, banking associations, savings banks and savings associations, including savings and loan associations, credit unions, building and loan associations, investment companies, executors, administrators, trustees and other fiduciaries, pension, profit-sharing, retirement funds and other persons carrying on a banking business, and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. The bonds and notes are made securities which may properly and legally be deposited with and received by any state or municipal or public officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

§2293. Act cumulative; no notice required

Neither this chapter nor anything contained in this chapter is or shall be construed as a restriction or limitation upon any powers which the authority might otherwise have under any laws of this State, and this chapter is cumulative of any such powers. This chapter does and shall be construed to provide a completed, additional and alternative method for doing of the things authorized thereby and shall be regarded as supplemental and additional to powers otherwise conferred by other laws. Neither the making of contracts nor the issuance of bonds, notes and other obligations pursuant to this chapter need comply with the requirements of any other state law applicable to the making of contracts and the issuance of bonds, notes and other obligations. No proceeding, notice or approval shall be required for the issuance of any bonds, notes or other obligations, or any instrument or security therefor, except as is provided in this chapter.

§2294. University of Maine

Notwithstanding any inconsistent provisions of this chapter, and in addition to the option of providing low-cost

financial assistance to qualified students enrolled at the university through the Maine Health and Higher Educational Facilities Authority and a student loan corporation, the following provisions shall apply to the University of Maine.

1. Issuance of bonds. The Board of Trustees of the University of Maine may provide, by resolution, at one time or from time to time, for the issuance of revenue bonds and other obligations and to loan the proceeds thereof to one or more student loan corporations formed by the board for the purposes of this chapter. Revenue bonds and other obligations issued by the board of trustees shall be issued in the name of the University of Maine, shall be issued in accordance with this chapter and shall be subject to the same limitations and have the same exemptions as other bonds or obligations issued under this chapter.

2. Powers. In addition to any other powers granted by private and special legislation or general law, the board of trustees shall have the same powers as the Maine Health and Higher Educational Facilities Authority, to the extent those powers are necessary to meet the purposes of this chapter.

3. Security. Revenue bonds and other obligations issued under this chapter may be secured in such fashion as the board of trustees, in its discretion, deems appropriate. Revenue bonds and other obligations issued by the board of trustees under this chapter shall not constitute a debt or liability of the State, of any municipality or political subdivision of the State or a pledge of the faith and credit of the State or of any municipality or political subdivision, and shall contain on their face a statement to that effect.

Effective July 13, 1982.

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## CHAPTER 679

H.P. 2309 - L.D. 2138

AN ACT to Clarify the 1981 Amendments  
Relating to the Operating Under the Influence  
and Habitual Offender Laws.

Emergency preamble. Whereas, Acts of the Legislature