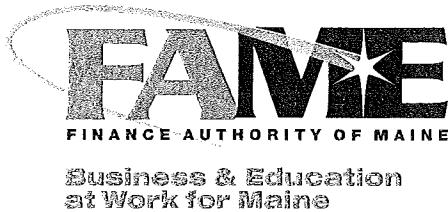


# MAINE STATE LEGISLATURE

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March 15, 2007

Senator Lynn Bromley, Senate Chair  
Representative Nancy E. Smith, House Chair  
Honorable Members of the Joint Standing Committee  
on Business, Research, and Economic Development  
Maine Legislature  
Cross State Office Building, Room 208  
Augusta, ME 04333

Dear Senator Bromley, Representative Smith, and Distinguished Committee Members:

I am pleased to present you with the Finance Authority of Maine's 2006 Issuer Report as required by P.L. 1999, Chapter 433. This law requires that each issuer of tax-exempt bonds issued with a portion of the allocation of the State ceiling on tax-exempt bond issuance annually deliver to the Governor and to this Committee a report that includes the following:

- A review of what bonds have been issued in the most recent year.
- How the State ceiling was allocated or carried forward.
- Who has benefited from the proceeds of tax-exempt bonds.

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. The following information, together with the enclosed report, addresses each of these items.

**INDUSTRIAL DEVELOPMENT BOND ACTIVITY**

FAME began the year with a \$30,000,000 allocation. It received an additional allocation of \$15,000,000 during the year and authorized usage of \$9,165,000 of bond cap by calendar year's end. FAME reallocated \$35,835,000 of its unused bond authority through a reallocation agreement among the State issuers group, as approved by the Legislature. The following projects were issued in calendar year 2006:

<u>Project User</u>	<u>Issuer</u>	<u>Amount</u>
Eastman Industries	City of Portland	\$1,065,000
SIGCO & Lake Creek Properties, LLC	City of Westbrook	\$5,600,000
Sterling Rope Co. Inc. & Morin Maine LLC	City of Biddeford	\$2,500,000

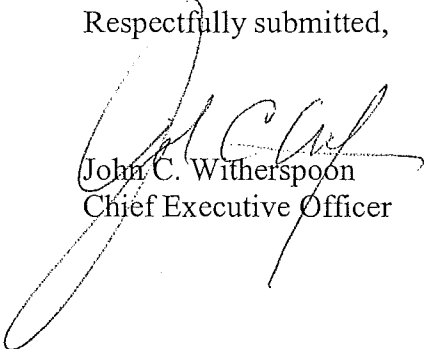
## HIGHER EDUCATION BOND ACTIVITY

In 2006, FAME received a \$100,000,000 allocation for the purchase of federally guaranteed student loans. The Authority did not issue tax exempt bonds for the purchase of guaranteed student loans in 2006. The \$100,000,000 in tax exempt bond cap has been carried forward for use in 2007. Using proceeds from previously issued bonds, in 2006 FAME purchased \$50,500,000 in guaranteed student loans from a number of lenders, including primarily:

Androscoggin Bank  
Bank of America  
Norway Savings Bank  
Student Loan Xpress  
TD Banknorth

If you have any questions regarding this Report, please do not hesitate to contact me.

Respectfully submitted,



John C. Witherspoon  
Chief Executive Officer

Encl.