

MAINE STATE LEGISLATURE

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Business & Education
at Work for Maine

March 13, 2008

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 2007 *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 the Legislature's Joint Standing Committee on Business, Research, and Economic Development 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 \$45,000,000 allocation. It authorized usage of \$19,251,000 of bond cap by calendar year's end. FAME reallocated \$8,349,000 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 2007:

<u>Project User</u>	<u>Issuer</u>	<u>Amount</u>
Dearborn Precision Tubular Products, Inc.	Commerce Capital Markets	\$2,400,000
World Harbors Inc. & Angostura International, Ltd.	TD Banknorth	\$2,695,000
J.S. McCarthy Co., Inc.	TD Banknorth	\$7,050,000
WahlcoMetroFlex, Inc.	Androscoggin Savings Bank	\$1,626,000
Crobb Box Co.	Key Bank	\$5,480,000

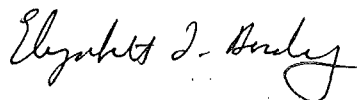
HIGHER EDUCATION BOND ACTIVITY

In 2007, FAME received a \$40,000,000 allocation for the purchase of federally guaranteed student loans. FAME also received a reallocation of \$39,000,000 of its unused bond authority through a reallocation agreement among the State issuers group, as approved by the Legislature. The Authority issued \$140,000,000 of tax exempt bonds in 2007 for the purchase of guaranteed student loans. Using proceeds from previously issued bonds and the bonds issued in 2007, FAME purchased approximately \$101,005,000 in guaranteed student loans in 2007 from a number of lenders, including primarily:

Androscoggin Bank
Bank of America
Norway Savings Bank
Student Loan Xpress
TD Banknorth
University Credit Union

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

Respectfully submitted,



Elizabeth L. Bordowitz
Acting Chief Executive Officer

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Enclosure