

# MAINE STATE LEGISLATURE

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# MELMAC

Maine Educational Loan Marketing Corporation

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Wendy L. Ault

President

December 11, 2000

Business & Economic Development Committee  
State House  
Augusta, ME 04333

Gentlemen:

In accordance with Sec. 11 20-A MRSA § 11407.6 Annual Report, enclosed is Form 990  
Return of Organization Exempt From Income Tax for Maine Educational Loan  
Marketing Corporation for the calendar year 1999.

Sincerely,



Wendy L. Ault  
President

Enclosure



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Maine Educational Loan Marketing Corporation

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President

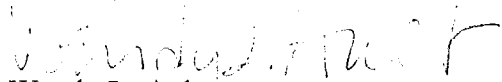
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**Application for Extension of Time To File  
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

Department of the Treasury  
Internal Revenue Service

▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions.	Name <b>Maine Educational Loan Marketing Corporation</b>	Employer identification number <b>01-0390854</b>
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)  <b>One City Center</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Portland, ME 04101</b>	

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

- 1 I request an extension of time until November 15 2000 to file (check only one):
- |                                                        |                                                                   |                                                         |                                    |
|--------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D)                | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T)                | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 3520-A                    | <input type="checkbox"/> Form 8613 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions)    | <input type="checkbox"/> Form 4720                      | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL                   | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 5227                      | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF                   | <input type="checkbox"/> Form 1042                                | <input type="checkbox"/> Form 6069                      | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box

- 2a For calendar year 1999, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_
- b If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 3 Has an extension of time to file been previously granted for this tax year?  Yes  No

4 State in detail why you need the extension  
Additional time is needed to gather the info  
complete and accurate return.

- 5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. \$ \_\_\_\_\_
- b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter estimated tax payments made. Include any prior year overpayment allocated to this year. \$ \_\_\_\_\_
- c Balance due. Subtract line 5b from line 5a. Include your payment with coupon if required. See instructions. \$ \_\_\_\_\_

**EXTENSION APPROVED**

**AUG 28 2000**

RICHARD CREAMER, DIRECTOR  
OGDEN SUBMISSION PROCESSING CENTER

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and attachments, and that the information shown is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ Wendy L. Arlt Title ▶ President Date ▶ 04 Aug 2000

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

**Notice to Applicant — To Be Completed by the IRS**

- We HAVE approved your application. Please attach this form to your return.
- We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- Other: \_\_\_\_\_

**RECEIVED**

**AUG 11 2000**

OGDEN, UT

By: \_\_\_\_\_ Date: \_\_\_\_\_

Director

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

# Return of Organization Exempt From Income Tax

**1999**

This Form is Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 1999 calendar year, OR tax year period beginning **1999**, and ending **1999**

**B** Check if:

<input checked="" type="checkbox"/> Change of address	Please use IRS label or print or type. See Specific Instructions.	<b>C</b> Name of organization Maine Educational Loan Marketing Corp.	<b>D</b> Employer identification number 01-0390854
<input type="checkbox"/> Initial return		Number and street (or P.O. box if mail is not delivered to street address)	<b>E</b> Telephone number
<input type="checkbox"/> Final return		Room/suite One City Center	(207) 791-3600
<input type="checkbox"/> Amended return (required also for state reporting)		City or town, state or country, and ZIP+4 Portland, ME 04101	<b>F</b> Check <input type="checkbox"/> if exemption application is pending

**G** Type of organization →  Exempt under section 501(c) ( **3** ) (insert number) OR  section 4947(a)(1) nonexempt charitable trust  
Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

**H(a)** Is this a group return filed for affiliates?  Yes  No

**I** If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ▶

**(b)** If "Yes," enter the number of affiliates for which this return is filed: ▶

**J** Accounting method:  Cash  Accrual

**(c)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  Other (specify) ▶

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

**Part I** Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 15.)

<b>1</b> Contributions, gifts, grants, and similar amounts received:			
	<b>a</b> Direct public support	<b>1a</b>	
	<b>b</b> Indirect public support	<b>1b</b>	
	<b>c</b> Government contributions (grants)	<b>1c</b>	
	<b>d</b> Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ _____ noncash \$ _____)	<b>1d</b>	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>	29,481,093
	<b>3</b> Membership dues and assessments	<b>3</b>	
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>	
	<b>5</b> Dividends and interest from securities	<b>5</b>	7,345,022
	<b>6a</b> Gross rents	<b>6a</b>	
	<b>b</b> Less: rental expenses	<b>6b</b>	
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>	
	<b>7</b> Other investment income (describe ▶ )	<b>7</b>	
	<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	(B) Other
	<b>b</b> Less: cost or other basis and sales expenses	<b>8a</b>	<b>8b</b>
	<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>	
	<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>	
	<b>9</b> Special events and activities (attach schedule)		
	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>	
	<b>b</b> Less: direct expenses other than fundraising expenses	<b>9b</b>	
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>	
	<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>	
	<b>b</b> Less: cost of goods sold	<b>10b</b>	
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>	
	<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>	31,071
	<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>	36,857,186
<b>Expenses</b>	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	31,218,571
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	794,381
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>	
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>	32,012,952
<b>Net Assets</b>	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>	4,844,234
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	14,512,040
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>	19,356,274

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 19.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	7,844	7,844	
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39	19	19	
40	Conferences, conventions, and meetings	40			
41	Interest	41	21,731,272	21,731,272	
42	Depreciation, depletion, etc. (attach schedule)	42	902,492	902,492	
43	Other expenses (itemize): a See Statement 1	43a	9,371,325	8,584,788	786,537
	b _____	43b			
	c _____	43c			
	d _____	43d			
	e _____	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	32,012,952	31,218,571	794,381

Reporting of Joint Costs. — Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 22.)

What is the organization's primary exempt purpose? <u>See Statement 2</u>		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a	<u>To acquire guaranteed educational loans from participating lenders primarily using funds acquired through the issuance of long-term bonds payable</u> (Grants and allocations \$ <u>N/A</u> )	31,218,571
b	_____ (Grants and allocations \$ _____)	
c	_____ (Grants and allocations \$ _____)	
d	_____ (Grants and allocations \$ _____)	
e	Other program services (attach schedule) (Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	31,218,571

**Part IV Balance Sheets** (See Specific Instructions on page 22.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year	(B) End of year
45	Cash — non-interest-bearing	164,791	115,364
46	Savings and temporary cash investments	4,525,618	23,925,644
47a	Accounts receivable		
b	Less: allowance for doubtful accounts		
48a	Pledges receivable		
b	Less: allowance for doubtful accounts		
49	Grants receivable		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		
51a	Other notes and loans receivable (attach schedule) <i>See Statement 9</i>	390,425,314	390,080,314
b	Less: allowance for doubtful accounts	345,000	
52	Inventories for sale or use		
53	Prepaid expenses and deferred charges	560,029	178,871
54	Investments — securities (attach schedule) <i>See Statement 4</i>	85,207,212	103,744,604
55a	Investments — land, buildings, and equipment: basis		
b	Less: accumulated depreciation (attach schedule)		
56	Investments — other (attach schedule)		
57a	Land, buildings, and equipment: basis	4,364	
b	Less: accumulated depreciation (attach schedule) <i>See Statement 10</i>	73	4,291
58	Other assets (describe <i>See Statement 5</i> )	9,368,944	11,724,189
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	448,905,278	529,773,277
60	Accounts payable and accrued expenses	8,442,772	8,770,394
61	Grants payable		
62	Deferred revenue		
63	Loans from officers, directors, trustees, and key employees (attach schedule)		
64a	Tax-exempt bond liabilities (attach schedule)		
b	Mortgages and other notes payable (attach schedule)		
65	Other liabilities (describe <i>See Statement 6</i> )	425,950,466	501,646,609
66	<b>Total liabilities</b> (add lines 60 through 65)	434,393,238	510,417,003
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
67	Unrestricted	14,512,040	19,356,274
68	Temporarily restricted		
69	Permanently restricted		
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
70	Capital stock, trust principal, or current funds		
71	Paid-in or capital surplus, or land, building, and equipment fund		
72	Retained earnings, endowment, accumulated income, or other funds		
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	14,512,040	19,356,274
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	448,905,278	529,773,277

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.



**Part IV-A** Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 24.)

**Part IV-B** Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	35,902,188
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments . . . \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants . . . . . \$		
(4)	Other (specify):		
	_____ \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b . . . . . ▶	c	35,902,188
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . . . \$ 954,998		
(2)	Other (specify):		
	_____ \$		
	Add amounts on lines (1) and (2) . ▶	d	954,998
e	Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶	e	36,857,186

a	Total expenses and losses per audited financial statements . . . . ▶	a	31,057,954
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 . . . . . \$		
(3)	Losses reported on line 20, Form 990 . \$		
(4)	Other (specify):		
	_____ \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b . . . . . ▶	c	31,057,954
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 . . . . . \$ 954,998		
(2)	Other (specify):		
	_____ \$		
	Add amounts on lines (1) and (2) ▶	d	954,998
e	Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶	e	32,012,952

**Part V** List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 24.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
See Statement 7				

\*5 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? . . . . .  Yes  No  
 If "Yes," attach schedule — see Specific Instructions on page 25.

Part VI Other Information (See Specific Instructions on page 25.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . .
77 Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . .
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .
78b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .
30a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .
31a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81 . . . . .
32a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .
33a Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .
34a Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .
35a Were substantially all dues nondeductible by members? . . . . .
36a Initiation fees and capital contributions included on line 12 . . . . .
37a Gross income from members or shareholders . . . . .
38 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .
39a Amount of tax imposed on the organization during the year under: section 4911 . . . . .
39b Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .
39c Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . .
39d Amount of tax in 39c, above, reimbursed by the organization . . . . .
90a List the states with which a copy of this return is filed . . . . .
90b Number of employees employed in the pay period that includes March 12, 1999 (See inst.) . . . . .
91 The books are in care of . . . . . Telephone no. . . . . Located at . . . . . ZIP + 4 . . . . .
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here . . . . . and enter the amount of tax-exempt interest received or accrued during the tax year . . . . .

**Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 29.)**

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Govt. Subsidy Interest					10,076,579
b Educational Loan Interest					19,404,514
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	7,345,022	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Miscellaneous			01	31,071	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				7,376,093	29,481,093
105 Total (add line 104, columns (B), (D), and (E))					36,857,186

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 30.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Interest income on educational loans, which allowed operations to continue.
93b	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 30.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction U, on page 14.)

Signature of officer: Wendy Ault Date: 11/13/2000 Type or print name and title: Wendy Ault, President

**Preparer's Use Only**

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed:

Firm's name (or yours if self-employed) and address: \_\_\_\_\_ EIN: \_\_\_\_\_ ZIP + 4: \_\_\_\_\_

Preparer's SSN or PTIN: \_\_\_\_\_

**Organization Exempt Under Section 501(c)(3)**

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**1999**

Supplementary Information — (See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

Department of the Treasury  
Internal Revenue Service

Name of the organization: Maine Educational Loan Marketing Corporation Employer identification number: 01-0390854

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000 ..... ▶ 0

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 1 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Salomon Smith Barney New York, New York	Bond Underwriters	600,750
Kutak Rock Denver, Colorado	Bond Counsel	251,698
Woodbury Morse Portland, Maine	Graphics Design	122,157

Total number of others receiving over \$50,000 for professional services ..... ▶ 0

**Part III** Statements About Activities

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? . . . . . If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>396,839</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	X	
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property? . . . . .		X
b Lending of money or other extension of credit? . . . . .		X
c Furnishing of goods, services, or facilities? . . . . .		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . See statement 7 . . . . .	X	
e Transfer of any part of its income or assets? . . . . . If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? . . . . .		X
4a Do you have a section 403(b) annuity plan for your employees? . . . . .		X
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)		

**Part IV** Reason for Non-Private Foundation Status (See pages 2 through 4 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 4.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions — subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 4 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above
State of Maine Bonds	8

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 4 of the instructions.)

**Part IV-A** **Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.**  
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . . . . . ▶	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .					
16 Membership fees received . . . . .					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose . . . . .					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .					
19 Net income from unrelated business activities not included in line 18 . . . . .					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .					
23 Total of lines 15 through 22 . . . . .					
24 Line 23 minus line 17 . . . . .					
25 Enter 1% of line 23 . . . . .					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 . . . . . ▶	26a	N/A
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1995 through 1998 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts . . . . . ▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 25b _____ . . . . . ▶	26d	
e Public support (line 26c minus line 26d total) . . . . . ▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . . ▶	26f	%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:

(1998) \_\_\_\_\_ (1997) \_\_\_\_\_ (1996) \_\_\_\_\_ (1995) \_\_\_\_\_

b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(1998) \_\_\_\_\_ (1997) \_\_\_\_\_ (1996) \_\_\_\_\_ (1995) \_\_\_\_\_

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ . . . . . ▶	27c	
d Add: Line 27a total . . . . . and line 27b total . . . . . ▶	27d	
e Public support (line 27c total minus line 27d total) . . . . . ▶	27e	
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) . . . . . ▶	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1995 through 1998, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 4 of the instructions.)



**Private School Questionnaire (See page 4 of the instructions.)**  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
<hr/>		
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32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff? .....		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....		
d Copies of all material used by the organization or on its behalf to solicit contributions? .....		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/>		
<hr/>		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges? .....		
b Admissions policies? .....		
c Employment of faculty or administrative staff? .....		
d Scholarships or other financial assistance? .....		
e Educational policies? .....		
f Use of facilities? .....		
g Athletic programs? .....		
h Other extracurricular activities? .....		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/>		
<hr/>		
34a Does the organization receive any financial aid or assistance from a governmental agency? .....		
b Has the organization's right to such aid ever been revoked or suspended? .....		
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
<hr/>		
<hr/>		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....		

**Part VI-A** Lobbying Expenditures by Electing Public Charities (See page 6 of the instructions.)  
(To be completed ONLY by an eligible organization that filed Form 5768)

Check here  a  if the organization belongs to an affiliated group.  
Check here  b  if you checked "a" above and "limited control" provisions apply.

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	37	
38	Total lobbying expenditures (add lines 36 and 37) . . . . .	38	
39	Other exempt purpose expenditures . . . . .	39	
40	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —                      The lobbying nontaxable amount is —		
	Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .	41	
	Over \$500,000 but not over \$1,000,000 . . . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . . . \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 . . . . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 . . . . . \$1,000,000 . . . . .		
42	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 . . . . .	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 . . . . .	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
See the instructions for lines 45 through 50 on page 7 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
45	Lobbying nontaxable amount . . . . .				
46	Lobbying ceiling amount (150% of line 45(e)) . . . . .				
47	Total lobbying expenditures . . . . .				
48	Grassroots nontaxable amount . . . . .				
49	Grassroots ceiling amount (150% of line 48(e)) . . . . .				
50	Grassroots lobbying expenditures . . . . .				

**Part VI-B** Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 8 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers . . . . .		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .		X	
c Media advertisements . . . . .	X		316,797
d Mailings to members, legislators, or the public . . . . .	X		6,078
e Publications, or published or broadcast statements . . . . .		X	
f Grants to other organizations for lobbying purposes . . . . .		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .	X		73,964
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .		X	
i Total lobbying expenditures (add lines c through h.) . . . . .			396,839

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 9



**Part VII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 8 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:		
	(i) Cash		X
	(ii) Other assets		X
b	Other transactions:		
	(i) Sales or exchanges of assets to a noncharitable exempt organization		X
	(ii) Purchases of assets from a noncharitable exempt organization		X
	(iii) Rental of facilities, equipment, or other assets		X
	(iv) Reimbursement arrangements		X
	(v) Loans or loan guarantees		X
	(vi) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
Maine Educational Loan Authority	State Authority	Loan Servicing Agreement

# Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns

▶ File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions.	Name <b>Maine Educational Loan Marketing Corporation</b>	Employer identification number <b>01-0390854</b>
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) <b>One City Center</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Portland, ME 04101</b>	

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

- 1 I request an extension of time until August 15, 2000, to file (check only one):
- |                                                        |                                                                   |                                                         |                                    |
|--------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D)                | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T)                | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 3520-A                    | <input type="checkbox"/> Form 8613 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions)    | <input type="checkbox"/> Form 4720                      | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL                   | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 5227                      | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF                   | <input type="checkbox"/> Form 1042                                | <input type="checkbox"/> Form 6069                      | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box

- 2a For calendar year 1999, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_
- b If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 3 Has an extension of time to file been previously granted for this tax year?  Yes  No

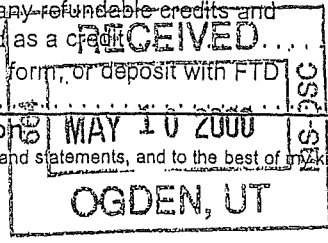
4 State in detail why you need the extension  
Additional time is needed to gather the information necessary to prepare and complete an accurate return.

- 5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_
- b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ \_\_\_\_\_
- c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions. \$ None

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶ Wendy L. Ault Title ▶ President Date ▶ MAY 5, 2000



FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

### Notice to Applicant — To Be Completed by the IRS

- We HAVE approved your application. Please attach this form to your return.
- We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- Other: \_\_\_\_\_

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

Form 990	OTHER EXPENSES		Statement 1	
<u>Description</u>	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management &amp; General</u>	(D) <u>Fundraising</u>
Administrative Servicing Expense.....	3,599,408 .....	3,599,408 .....		
Depository Fees.....	125,522 .....	125,522 .....		
Consolidation Rebate Expense.....	564,562.....	564,562 .....		
Liquidity Fee .....	227,351.....	227,351.....		
Bond Administration Fee.....	53,387 .....		53,387 .....	
Excess Arbitrage.....	720,265 .....	720,265 .....		
Provision for Loan Loss.....	98,796.....	98,796 .....		
BTI Servicing Fees.....	136,433 .....	136,433 .....		
UNIPAC Servicing Fees....	2,227,086.....	2,227,086 .....		
Other Professional Fees.....	73,963.....	73,963 .....		
Other Servicing Fees.....	122,558.....	122,558 .....		
Marketing.....	322,875.....	322,875 .....		
Bond Insurance Expense....	363,979 .....	363,979 .....		
Bond Fees.....	733,150 .....		733,150 .....	
Miscellaneous Operating.....	1,990 .....	1,990 .....		
<b>Total to Form 990, Line 43</b>	<u>9,371,325</u>	<u>8,584,788</u>	<u>786,537</u>	<u>0</u>

Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement 2
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Explanation

To promote & carry out the charitable & educational objectives of the State of Maine embodied in the Maine guaranteed student & parental loan programs, by encouraging lenders to make educational loans under the U.S. Higher Education Act of 1965, to Maine residents or their parents to assist attendance at post-secondary educational institutions within or without Maine, & non-residents of Maine or their parents to assist attendance at a post-secondary educational institutions within Maine, through creation & operation of a secondary market & warehousing facility which will provide liquidity for investments in such loans & in educational loans made by lenders located within Maine to non-residents of Maine or their parents to assist attendance at post-secondary educational institutions located outside Maine.

Form 990	OTHER NOTES AND LOANS RECEIVABLE	Statement 3
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<u>Description</u>	<u>Doubtful Acct. Allowance</u>	<u>Balance Due</u>
Student Loans	<u>\$345,000</u>	<u>\$390,425,314</u>
Totals Included on Form 990, Part IV, Line 51	<u>\$345,000</u>	<u>\$390,425,314</u>

Form 990	NON-GOVERNMENT SECURITIES	Statement 4
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<u>Description</u>	<u>Value Method</u>	<u>Corporate Stocks</u>	<u>Corporate Bonds</u>	<u>Other publicly Traded Securities</u>	<u>Other Securities</u>	<u>Total Non-Govt. Securities</u>
Commercial	Cost					
Banking Deposits					4,684,154	4,684,154
Repurchase Agreement	Cost				75,600,200	75,600,200
Guaranteed	Cost					
Investment Contracts					<u>23,460,250</u>	<u>23,460,250</u>
Total Form 990, Line 54, Col B					<u>103,744,604</u>	<u>103,744,604</u>

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Form 990	OTHER ASSETS	Statement 5
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<u>Description</u>	<u>Amount</u>
Receivable - Other	38,187
Interest Receivable	9,409,339
Deferred Bond Issuance Cost - Net of Amortization	<u>2,276,663</u>
Total to Form 990, Line 58, Column B	<u>11,724,189</u>

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Form 990	OTHER LIABILITIES	Statement 6
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<u>Description</u>	<u>Amount</u>
Educational Loan Revenue Bonds Payable	497,426,941
Arbitrage Earnings Rebateable	<u>4,219,668</u>
Total to Form 990, Part IV, Line 65, Column B	<u>501,646,609</u>

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Form 990	PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEE & KEY EMPLOYEES	Statement 7
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<u>Name &amp; Address</u>	<u>Title</u>	<u>Average Hours Per Week</u>	<u>Compen- sation</u>	<u>Employee Ben Plan Contrib.</u>	<u>Exp. Acct.</u>
Wendy L. Ault RR1, Box 24 Wayne, ME	President	40+	8,944	0	0
Joseph H. Gambino 14 Boutelle Road Bangor, ME	Director	As needed	500	0	0
Leroy J. Barry P.O. Box 129 Madison, ME	Director	As needed	1,150	0	0
Harry B. Dunn, III Little Diamond Island Portland, ME	Director	As needed	1,000	0	0

<u>Name &amp; Address</u>	<u>Title</u>	<u>Average Hours Per Week</u>	<u>Compensation</u>	<u>Employee Ben Plan Contrib.</u>	<u>Exp. Acct.</u>
Blythe J. McGarvie 10 High Point Scarborough, ME	Director	As needed	2,100	0	0
Patricia B. McNamara 16 Woods Knoll Drive Cape Elizabeth, ME	Director	As needed	1,800	0	0
John R. Huard 7 Old Salt Road Old Orchard Beach, ME	Director	As needed	500	0	0
Robert A. Moore One Dana Street Portland, ME	Director	As needed	4,250	0	0
Mark E. Woodsum 33 Hutcherson Drive Gorham, ME	Director	As needed	1,300	0	0

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Form 990                      IDENTIFICATION OF RELATED ORGANIZATIONS                      Statement 8  
Part IV, Line 80B

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<u>Name of Organization</u>	<u>Exempt</u>	<u>Non-Exempt</u>
Maine Educational Loan Authority (MELA)	X	
Maine Education Services (MES)	X	

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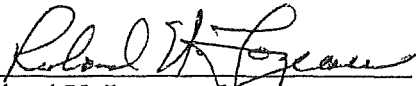
Form 990                      LOBBYING ACTIVITY BY NONELECTING PUBLIC CHARITY                      Statement 9  
Part VI B

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In January of 1999, legislation was proposed in the State of Maine that would have removed allocation of any state ceiling on tax-exempt, private activity bonds to education. On June 9, 1999, the Legislature of Maine enacted LD 1206 (Exhibit A), which did not allocate any state ceiling on tax-exempt, private activity bonds to education for the year 2000 and established the Commission on the State Ceiling on Tax-Exempt Bonds (the "Commission") to study the need for allocation of any portion of the state ceiling on tax-exempt, private activity bonds to student loans in the future. Maine Educational Loan Marketing Corporation ("MELMAC") requires allocation of state ceiling on tax-exempt, private activity bonds to student loans in order to continue its activities as a nonprofit secondary market for student loans, which is the charitable and educational purpose for which MELMAC is organized. If the Legislature did not



I certify that the attached September 1999 Bylaw Revisions are a complete and accurate copy of the original documents.



Roland U. Lozeau, Jr.  
Chief Financial Officer



# MAINE EDUCATIONAL LOAN MARKETING CORPORATION

## AMENDED AND RESTATED BYLAWS

(May 19, 1994, as further amended November 1, 1995 and September 14, 1999)

### ARTICLE I

The Corporation shall at all times maintain a registered office in the State of Maine and a registered agent at that address, but may have other offices located within or without the State of Maine as the Board of Directors shall determine.

### ARTICLE II

#### PURPOSES

Section 2.01. *Purposes.* The Corporation is organized exclusively to promote and carry out the charitable and educational objectives (within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended) of the State of Maine embodied in the Maine Guaranteed Student and Parental Loan Programs, by encouraging lenders to make educational loans under the United States Higher Education Act of 1965, as amended, to (i) Maine residents or their parents to assist attendance at post-secondary educational institutions within or without Maine, and (ii) non-residents of Maine or their parents to assist attendance at post-secondary educational institutions within Maine, through creation and operation by the Corporation of a secondary market and warehousing facility which will provide liquidity for investments in such loans and in educational loans made by lenders located within Maine to non-residents of Maine or their parents to assist attendance at post-secondary educational institutions located outside Maine, and, in furtherance of the accomplishment of the exclusive purposes of the Corporation, to conduct any and all lawful affairs incidental or necessary to the accomplishment of such purposes for which nonprofit corporations may be incorporated under the laws of the State of Maine as such laws may be amended from time to time.

Section 2.02. *Section 501(c)(3).* Notwithstanding anything contained herein to the contrary, the Corporation is organized and shall be operated exclusively for purposes provided in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the same now exists or as it may be amended from time to time. No part of the net earnings of this Corporation shall inure to the benefit of any private shareholder, member or individual; no substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (by publishing or distribution statements or otherwise), any political campaign on behalf of any candidate for public office.

Section 2.03. *Dissolution and Income.* Any income of the Corporation (after payment of expenses, debt service, and creation of reserves for the same) shall be used to purchase additional loans meeting the criteria set forth in Section 2.01 hereof or shall be paid over to the United States. Upon dissolution of the Corporation, any such income shall be paid over to the United States.

## ARTICLE III

### BOARD OF DIRECTORS

Section 3.01. *General Powers.* The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation.

Section 3.02. *Number and Term of Office.* The number of directors shall be between five (5) and seven (7), inclusive (other than due to temporary vacancies). Directors shall hold office for a term of three (3) years, except that (i) the initial term of any director shall be one year if appointed at the annual meeting, or otherwise shall expire at the second annual meeting following such initial appointment and (ii) if while serving as a director of the Corporation, any director shall be appointed, for the first time and prior to September 14, 1999, as a director of MES—Maine Education Services, then such director's term as director of the Corporation shall expire upon the expiration of such term at MES—Maine Education Services. At the annual meeting coincident with the expiration of the respective terms of the directors, the directors shall, by affirmative vote of a majority thereof, elect directors for the directorships expiring as of such annual meeting for the terms described above, commencing on the date of election at such annual meeting and ending on the date of the annual meeting following the designated number of years of the term as described above. No director shall serve for more than three successive terms, except that for such purpose, any term of less than two years shall not constitute a term.

Section 3.03. *Filling of Vacancies.* In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office in place of the director whose place shall be vacant for a term (notwithstanding the term of the former director) ending as of the date of the second annual meeting following the appointment of such successor, or until election of said director's successor, or until such director shall be removed, prior thereto, by an affirmative vote of a majority of the Board of Directors, subject to Section 3.2.

Any director may be removed from office with or without cause by the affirmative vote of a majority of the directors entitled to vote at any special meeting of directors called for that purpose.

Section 3.04. *Place of Meeting.* The Board of Directors may hold their meetings and keep the books of the Corporation either within or outside the State of Maine, at such place or places as they may from time to time determine by resolution or by written consent of all the directors. The Board of Directors may hold their meeting by conference, telephone or other similar electronic communications equipment pursuant to which each participant at the meeting can hear the other.

Section 3.05. *Annual and Regular Meetings.* Regular meetings of the Board of Directors may be held without notice at such time and place and on such date or dates as shall from time to time be determined by resolution of the Board. The annual meeting of the Board of Directors shall be held in September or October of each year at such time and place and on such date as shall be determined by resolution by the Board of Directors for the purpose of electing directors and officers to succeed those whose terms are expiring at such time. Notice of every

resolution of the Board fixing or changing the time or place for the holding of regular meetings of the Board or the annual meeting shall be given to each director at least seven days prior to the first meeting held pursuant to such resolution by mail, personal delivery, telex, telecopy or cablegram. The Board may transact any business that comes before it. Any additional business may be transacted at any regular or annual meeting of the Board.

Section 3.06. *Special Meetings.* Special meetings of the Board of Directors shall be held whenever called by the Chair, the President or any three directors. The Secretary shall give notice of each special meeting of the Board of Directors, at least one (1) day prior to the meeting by personal delivery, telex, telecopy or cablegram; but such notice may be waived by any director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meeting. At any meeting at which every director shall be present, even though without notice, any business may be transacted, and any director may in writing waive notice of the time, place and objectives of any special meeting, or, if present at such meeting, shall be deemed to have waived notice.

Section 3.07. *Quorum.* A majority of the whole number of directors then serving as the Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but, if at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Articles of Incorporation or by these bylaws.

Section 3.08. *Required Vote.* An affirmative vote of a majority of those present shall be necessary for the passage of any resolution; provided, however, that if any directors excuse themselves with regard to any matter due to a conflict of interest, an affirmative vote of a majority of the remaining directors shall be sufficient for passing of any resolution.

Section 3.09. *Compensation of Directors.* Upon adoption of a resolution of the Board of Directors authorizing the same, each director shall be entitled to full reimbursement for all expenses incurred by such director in connection with the conduct of the Corporation's business and to such other compensation as shall be determined by the resolution of the Board of Directors.

Section 3.10. *Committees.* The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Corporation nominated by the Chair and approved by resolution of the Board, which, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors. In addition to the two directors so nominated and approved, the Chair shall be an ex officio member of each committee. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors and officers of the Corporation may be named as non-voting members thereof (unless such officer is also a director).

## ARTICLE IV

### OFFICERS

Section 4.01. *Election, Tenure and Compensation.* The officers of the Corporation shall be a Chair and Vice Chair of the Board, and a President, Secretary and Treasurer, and also such other officers including one or more assistants to the foregoing officers as the Board of Directors from time to time may consider necessary for the proper conduct of the business of the Corporation. The officers shall be elected at the annual meeting of the Board of Directors to serve a term of one (1) year expiring at the next annual meeting. Except for the Chair and Vice Chair of the Board, the officers need not be directors. Any two or more of the above offices may be held by the same person, except those of President and Secretary. The compensation or salary paid all officers of the Corporation shall be fixed by resolutions adopted by the Board of Directors or a committee thereof duly authorized.

In the event that any office other than an office required by law, shall not be filled by the Board of Directors, or, once filled, subsequently becomes vacant, then such office and all references thereto in these bylaws shall be deemed inoperative unless and until such office is filled in accordance with the provisions of these bylaws. Any such vacancy may be filled by election of the Board of Directors at any meeting.

Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all officers and agents of the Corporation shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors, and all officers, agents and employees shall hold office at the discretion of the Board of Directors.

Section 4.02. *Powers and Duties of the Chair.* The Chair of the Board of Directors shall conduct all meetings of the Board of Directors and carry out such other duties as are enumerated in their Bylaws or which may be designated by resolution of the Board of Directors. No director shall serve as Chair of the Board for more than three successive one-year terms.

Section 4.03. *Powers and Duties of the Vice Chair.* The Board of Directors may appoint a Vice Chair who shall have such powers and shall perform such duties as may be assigned to the Vice Chair by the Board of Directors. In case of the absence or disability of the Chair, the duties of that office shall be performed by a Vice Chair, and the taking of any action by any such Vice Chair in place of the Chair shall be conclusive evidence of the absence or disability of the Chair.

Section 4.04. *Powers and Duties of the President.* The President shall be the chief executive officer of the Corporation and shall have general charge and control of all its business affairs and properties.

The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation. The President shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. The President shall be ex-officio a member of all standing committees. The President shall do and perform such other duties as may, from time to time, be assigned to the President by the Board of Directors.

Section 4.05. *Secretary.* The Secretary shall give, or cause to be given, notice of all meetings of directors and all other notices required by law or by these bylaws, and in case of the Secretary's absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the President, or by the directors upon whose written request the meeting is called as provided in these bylaws. The Secretary shall record all the proceedings of the meetings of directors in books provided for that purpose, and the Secretary shall perform such other duties as may be assigned to the Secretary by the directors or the President. The Secretary shall have custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board of Directors or the President, and attest the same. In general, the Secretary shall perform all the duties generally incident to the office of the secretary of a corporation, subject to the direction and control of the Board of Directors and the President.

Section 4.06. *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Corporation, and the Treasurer shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall render to the President and the Board of Directors, whenever either of them so requests, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Corporation.

The Treasurer shall give the Corporation a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, at the expense of the Corporation, for the faithful performance of the duties of this office and for the restoration to the Corporation in case of the Treasurer's death, resignation, retirement or removal from office of all books, papers, vouchers, moneys and other properties of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

The Treasurer shall perform all the duties generally incident to the office of the treasurer of a corporation, subject to the direction and control of the Board of Directors and the President.

Section 4.07. *Assistant Secretary.* The Board of Directors may appoint an Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned to the Assistant Secretary by the Board of Directors or the President. In case of the absence or disability of the Secretary, the duties of the office shall be performed by any such Assistant Secretary, and the taking of any action by any such Assistant Secretary in place of the Secretary shall be conclusive evidence of the absence or disability of the Secretary.

Section 4.08. *Assistant Treasurer.* The Board of Directors may appoint an Assistant Treasurer or more than one Assistant Treasurer. Each Assistant Treasurer shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Treasurer in the absence or disability of the Treasurer and shall have such other powers and

shall perform such other duties as may be assigned to the Assistant Treasurer by the Board of Directors or the President. In case of the absence or disability of the Treasurer, the duties of the office shall be performed by any such Assistant Treasurer, and the taking of any action by any such Assistant Treasurer in place of the Treasurer shall be conclusive evidence of the absence or disability of the Treasurer.

## ARTICLE V

### CORPORATE SEAL

The seal of the Corporation shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to use such a seal at any time, or in the event the Board of Directors shall not have determined to adopt a corporate seal, the signature of the Corporation followed by the word "Seal" enclosed in parentheses or scroll shall be deemed the seal of the Corporation. The seal shall be in the custody of the Secretary and affixed by the Secretary or the Secretary's assistants on all appropriate papers.

## ARTICLE VI

### BANK ACCOUNTS AND LOANS

Section 6.01. *Bank Accounts.* Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors and such officers or agents as from time to time shall be authorized by the Board of Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of the Corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors, until written notice of the revocation of the authority of such officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts or other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President and countersigned by the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer of the Corporation.

Section 6.02. *Loans.* Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such banks, trust companies, institutions, corporations, firms or persons as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances or other forms of credit to

assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial papers and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

## ARTICLE VII INFORMAL ACTION

Any action that may be taken by the Board of Directors at a formal meeting may also be taken without a meeting if all directors of the Corporation agree to such action and such consent in writing, setting forth the action so to be taken, shall be signed by all of the directors and forthwith made a part of the minutes of the meetings of the Board of Directors.

## ARTICLE VIII AMENDMENTS

The Board of Directors shall have the power and authority to amend, alter or repeal these bylaws or any provision thereof, and may from time to time adopt additional bylaws; provided the same is approved by a vote of the majority of the directors present and voting at any annual, regular or special meeting and that the substance of any change is stated in a notice of meeting at which action is to be taken given at least 30 days in advance unless otherwise waived as provided herein.

## ARTICLE IX INDEMNIFICATION

Section 9.01. *Indemnity.* Each director and officer of the Corporation now or hereafter serving as such, shall be indemnified by the Corporation against any and all claims and liabilities to which such director or officer has or shall become subject by reason of serving or having served as such director or officer, or by reason of any action alleged to have been taken, omitted or neglected by such director or officer as a director or officer; and the Corporation shall reimburse such person for all legal expenses reasonably incurred by such person in connection with any such claim or liability, provided, however, that no such person shall be indemnified

against or be reimbursed for any expense incurred in connection with any claims or liability arising out of such director's or officer's own willful misconduct or gross negligence.

Section 9.02. *Limitation.* The amount paid to any officer or director by way of indemnification shall not exceed such director's or officer's actual, reasonable and necessary expenses incurred in connection with the matter involved.

Section 9.03. *Not Exclusive.* The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any director or officer of the Corporation may otherwise be entitled by law.

Secretary



EXHIBIT A

[Deleted]

## EXHIBIT B

As of May 19, 1994, the following persons shall be directors of the Corporation for terms expiring as of the Corporation's Annual Meeting held in the year designated below:

<u>Director</u>	<u>Year of Expiration</u>
Scottie Higgins*	1994
Bennett D. Katz	1994
Nancy N. Masterson	1994
Patricia B. McNamara	1994
Walter H. Moulton	1994
Anne M. Pare'	1994
Richard A. Crabtree	1995
Peter J. Moynihan	1995
Gordon R. Pow	1995

\*One-year term by virtue of being President

EXHIBIT A

APPROVED

CHAPTER

JUN 09 99

443

STATE OF MAINE

BY GOVERNOR

PUBLIC LAW

—  
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-NINE  
—

S.P. 417 - L.D. 1206

An Act to Provide for the 1999 and 2000 Allocations of the  
State Ceiling on Private Activity Bonds

**Preamble.** The Constitution of Maine, Article V, Part First, Section 8 provides that certain statutes enacted relating to confirmation procedures for gubernatorial nominees require a 2/3 vote of the members of each House present and voting.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Revised Statutes, Title 10, section 363 and Private and Special Law 1997, chapter 65 make a partial allocation of the state ceiling on private activity bonds to some issuers for calendar year 1999, but leave a portion of the state ceiling unallocated and do not provide sufficient allocations for certain types of private activity bonds that may require an allocation before the effective date of this Act if not enacted on an emergency basis; and

Whereas, if these bond issues must be delayed due to lack of available state ceiling, the rates and terms under which these bonds may be issued may be adversely affected, resulting in increased costs to beneficiaries or even unavailability of financing for certain projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

APPROVED

CHAPTER

JUN 09 99

443

STATE OF MAINE

BY GOVERNOR

PUBLIC LAW

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-NINE

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Whereas, if these bond issues must be delayed due to lack of available state ceiling, the rates and terms under which these bonds may be issued may be adversely affected, resulting in increased costs to beneficiaries or even unavailability of financing for certain projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 10 MRSA §363, sub-§1-A, as amended by PL 1989, c. 812, §1, is further amended to read:

1-A. Procedure. For ~~calendar-year-1987~~ and each subsequent calendar year, the Legislature may establish a procedure for allocation of the entire amount of the state ceiling by allocating an amount of the state ceiling to the specific issuers designated in this section for further allocation by each specific issuer to itself or to other issuers for specific bond issues requiring an allocation of the state ceiling or for carryforward. This procedure supersedes the federal formula to the full extent that the United States Code, Title 26, authorizes the Legislature to vary the federal formula. Allocations may be reviewed by the Legislature periodically and unused allocations may be reallocated to other issuers, ~~provided that:~~ however, notwithstanding the existence of legislation allocating or reallocating all or any portion of the state ceiling, at any time during the period from September 1st to and including December 31st of any calendar year, and at any other time that the Legislature is not in session, a group consisting of a representative of each of the issuers specifically identified in subsections 4 to 8 7; a representative of a corporation created pursuant to Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may, by unanimous written agreement executed by no fewer than 5 of the 6 representatives of each of the issuers, allocate amounts not previously allocated and reallocate unused allocations from one of the specific issuers designated in this section to another specific issuer for further allocation or carryforward, with respect to the state ceiling for that calendar year only.

Sec. 2. 10 MRSA §363, sub-§8, as amended by PL 1989, c. 502, Pt. A, §27, is further amended to read:

8. Allocations for educational bonds. That portion of the state ceiling allocated to the categories of bonds providing funds for the purposes of a corporation created pursuant to Title 20, section 2237, and Title 20-A, section 11407, or of the Maine Educational Loan Authority ~~shall~~ must be allocated to that corporation or to the Maine Educational Loan Authority, or both, and each may further allocate the portion of the state ceiling allocated to it to bonds requiring an allocation to qualify as tax-exempt bonds. That portion of the state ceiling allocated to the issuance of bonds for education loans for the Loans to Lenders Pilot Program must be allocated to the Finance Authority of Maine.

A. Prior to receiving an allocation of the state ceiling for the issuance of education loans, an issuer or lender must provide to the appropriate agency within the Department of Professional and Financial Regulation examples of the disclosures to be made to loan recipients or obligors. The information must be provided to the Bureau of Banking if the issuer or lender is a financial institution or credit union established pursuant to state or federal law or to the Office of Consumer Credit Regulation for all other issuers or lenders. This information must be provided to the appropriate agency within the Department of Professional and Financial Regulation upon request, or in the course of an examination of the issuer or lender by the agency, and must include a description of any interest rate or other discounts offered that clearly identifies all of the terms and conditions of obtaining any discount, a projection of the approximate number or percentage of loan obligors who are likely to benefit from the discounts and any other disclosures pursuant to guidelines established by the Bureau of Banking and the Office of Consumer Credit Regulation for the issuance of education loans that would benefit from an allocation of the state ceiling. The Bureau of Banking and the Office of Consumer Credit Regulation shall jointly adopt, to the extent allowed by law, rules to carry out the provisions of this paragraph by establishing uniform disclosure requirements and sanctions for noncompliance. Rules adopted pursuant to this paragraph are routine technical rules, as defined in Title 5, chapter 375, subchapter II-A. All information provided to the appropriate agencies within the Department of Professional and Financial Regulation must include the source of the information and the basis for any projections.

B. All education loans made under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 that are purchased or originated with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

Sec. 3. 10 MRSA §363, sub-§9, as amended by PL 1989, c. 224, §2, is further amended to read:

9. Use of carryforward. In the event that any issuer has made a ~~carry-forward~~ carryforward election under the United States Code, Title 26, Section 146(f), as amended, the issuer shall use, to the extent possible and consistent with the purpose for which the ~~carry-forward~~ carryforward was elected, the ~~carry-forward~~ carryforward for issues subject to the state ceiling prior to allocating any portion of the state ceiling for the applicable calendar year to the issue. To the extent permitted by federal law, a group consisting of a representative of each of the issuers specifically identified in subsections 4 to 8; a representative of a corporation created pursuant to Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may reallocate, by unanimous written agreement executed by no fewer than 5 of the 6 representatives of--each--of--the issuers, ~~carry-forward~~ carryforward amounts from one of the specific issuers designated in this section to another specific issuer.

Sec. 4. 10 MRSA §363, sub-§§10 and 11 are enacted to read:

10. Allocation for benefit of State. All of the allocation of the state ceiling must be used for a purpose that benefits individuals, communities or businesses in this State. For purposes of this subsection, a bond issuance is presumed to benefit individuals, communities or businesses in this State if it benefits business operations located in this State, residents of this State, students attending institutions of higher education in this State, residents of this State attending institutions of higher education outside this State or municipalities in this State. An allocation of the state ceiling may only be used to purchase student loans if the borrower is a resident of this State or is a student attending an institution of higher education in this State or if the borrower has previously obtained a student loan while a resident of this State or while attending an institution of higher education in this State. A student eligible to receive the benefit of a portion of the state ceiling remains eligible for student loans notwithstanding any changes in residency or institution attended.

11. Annual review. By March 15th of each year, each issuer identified in subsections 4 to 8 shall deliver a report to the Governor and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. Each report must include, without limitation, a review of what bonds have been issued in the most recent year, how the state ceiling was allocated or carried forward and who has

benefited from the proceeds of the tax-exempt bonds in that year. 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.

Sec. 5. 20-A MRSA §11407, as amended by PL 1989, c. 812, §3, is further amended to read:

**§11407. Authorization for Governor to request organizations of corporations to acquire loan notes**

To the extent and for the purposes contemplated by the federal Internal Revenue Code of 1954, Section 103(e), as amended, and successor provisions thereto, including without limitation the federal Internal Revenue Code of 1986, Section 150(d), as amended, the Governor may on behalf of the State request the organization of one or more nonprofit corporations to operate exclusively for the purpose of acquiring student loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended. A nonprofit corporation formed under this section shall report annually on its activities during the previous fiscal year to the joint standing committee of the Legislature having jurisdiction over economic development matters, the joint standing committee of the Legislature having jurisdiction over appropriation matters and the joint standing committee of the Legislature having jurisdiction over education matters. That report must include a listing of the current directors and officers of the corporation, a summary of the corporation's purchases of loans in the secondary market during the previous fiscal year, a listing of the institutions from which loans were purchased during the previous fiscal year, a summary of the organization's direct student loans and a complete financial statement of the corporation's operations for the previous fiscal year, including a breakdown of income and costs, a breakdown of the administrative and operating costs of the corporation, a breakdown of the assets and liabilities of the corporation, total excess revenues over expenditures for the previous fiscal year and the total accumulation of these revenues, total income derived from investments during the previous fiscal year and a breakdown showing the disposition and use of excess revenues and the proceeds from investments. That report must include similar information on all affiliated entities. That report must be provided annually in writing to the committee by December 1st.

All education loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 by a nonprofit corporation formed under this section that are acquired



with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

Sec. 6. 20-A MRSA §11415, sub-§1, as amended by PL 1995, c. 519, §6, is further amended to read:

1. Composition. There are 7 voting members of the authority, 5 of whom must be appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over economic development matters and confirmation by the Legislature.

Sec. 7. Allocation to Treasurer of State. No portion of the state ceiling for calendar year 1999 was previously allocated to the Treasurer of State. No portion of the state ceiling for calendar year 2000 is allocated to the Treasurer of State.

Sec. 8. Allocation to Finance Authority of Maine. The \$25,000,000 of the state ceiling for calendar year 1999 previously allocated to the Finance Authority of Maine remains allocated to the Finance Authority of Maine to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 6. Ten million dollars of the state ceiling for calendar year 1999 previously unallocated is now allocated to the Finance Authority of Maine to be used for higher education loans under the Loans to Lenders Pilot Program in accordance with that section of this Act that establishes the Loans to Lenders Pilot Program. Twenty-five million dollars of the state ceiling for calendar year 2000 is allocated to the Finance Authority of Maine to be used or reallocated in accordance with Title 10, section 363, subsection 6.

Sec. 9. Allocation to Maine Municipal Bond Bank. The \$10,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Municipal Bond Bank remains allocated to the Maine Municipal Bond Bank to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7. Ten million dollars of the state ceiling for calendar year 2000 is allocated to the Maine Municipal Bond Bank to be used or

reallocated in accordance with Title 10, section 363, subsection 7.

**Sec. 10. Allocation to Maine Educational Loan Authority.** The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Authority remains allocated to the Maine Educational Loan Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

**Sec. 11. Allocation to Maine Educational Loan Marketing Corporation.** The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Marketing Corporation remains allocated to the Maine Educational Loan Marketing Corporation to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

**Sec. 12. Allocation to Maine State Housing Authority.** The \$40,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine State Housing Authority remains allocated to the Maine State Housing Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 4. Forty million dollars of the state ceiling for calendar year 2000 is allocated to the Maine State Housing Authority for the same uses.

**Sec. 13. Unallocated state ceiling.** Twenty-five million dollars of the state ceiling for calendar year 1999 remains unallocated and must be reserved for future allocation in accordance with applicable laws. Seventy-five million dollars of the state ceiling for calendar year 2000 is unallocated and must be reserved for future allocation in accordance with applicable laws.

**Sec. 14. Pilot program established.** The Loans to Lenders Pilot Program is established within the Finance Authority of Maine to study the feasibility of and implement a pilot program by which lending institutions may access a portion of the proceeds of bonds issued using an allocation of the state ceiling allocated to the Finance Authority of Maine for education loans.

1. **Issuance; purpose; payment; authorization; interim receipts or certificates.** Pursuant to the Loans to Lenders Pilot Program, the Finance Authority of Maine may issue bonds without limitation for the purpose of making loans to credit unions and financial institutions that make loans for educational purposes and are authorized to do business in the State as defined in the Maine Revised Statutes, Title 9-B, section 131, subsections 12-A and 17-A. The bonds of each issue must be payable from those

sources specified in the agreement with bondholders, including without limitation: principal and interest on loans; guarantee payments or any payments received from the Federal Government with respect to loans for educational purposes; payments by institutions, banks, insurance companies or others pursuant to letters of credit or purchase agreements; investment earnings from funds or accounts maintained pursuant to a trust agreement or other document; insurance proceeds; loan funding deposits; proceeds from sales of education loans; proceeds from refunding bonds; and other fees, charges or revenues of the authority.

A. The Finance Authority of Maine is responsible for administering the Loans to Lenders Pilot Program and the administration of the Loans to Lenders Pilot Program is a purpose of the Finance Authority of Maine pursuant to Title 10, section 1013.

B. The Loans to Lenders Pilot Program is a program authorized pursuant to Title 20-A, chapter 417-B, to which sections 11442 to 11457 apply, except as expressly stated in paragraph C.

C. Notwithstanding paragraph B, for purposes of the Loans to Lenders Pilot Program:

(1) The term "education loan series portfolio" means all education loans made by a specific institution that are funded from or acquired by the proceeds of a Finance Authority of Maine loan to the institution out of the proceeds of a specific related bond issue through the authority;

(2) The term "institution" includes a financial institution described in this subsection; and

(3) All references in Title 20-A, chapter 417-B to the Student Financial Aid Supplemental Loan Program that are determined by the Finance Authority of Maine to be required for the implementation and administration of the Loans to Lenders Pilot Program are considered references to the Loans to Lenders Pilot Program.

2. Rules. The Finance Authority of Maine shall adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A, setting forth a process for the distribution of the proceeds of bonds issued under the Loans to Lenders Pilot Program. The process established must have a goal of providing the greatest possible benefit to education loan borrowers. As part of its rulemaking, the Finance Authority of Maine shall develop criteria for determining whether a financial

institution is qualified to participate in the Loans to Lenders Pilot Program. Such criteria must include, at a minimum, the ability to demonstrate how the student will benefit from the loan program.

3. **Interim report.** The Finance Authority of Maine shall submit an interim report to the Joint Standing Committee on Business and Economic Development by January 14, 2000. The report must outline the elements of the Loans to Lenders Pilot Program, including rules adopted to implement the program. The report must also include an assessment of the effectiveness of the Loans to Lenders Pilot Program and whether the program should continue.

4. **Unused funds.** If a determination is made by the Finance Authority of Maine that institutions are not eligible to receive bond proceeds issued by the Finance Authority of Maine under the Loans to Lenders Pilot Program, any unused bond allocation allocated to the Finance Authority of Maine for education loans pursuant to that section of this Act that makes allocation to the Finance Authority of Maine must be reallocated to the unallocated portion of the state ceiling by December 15, 1999. If bonds can be issued under the Loans to Lenders Pilot Program but have not been issued by December 31, 1999, the unused bond allocation must be carried forward. The Finance Authority of Maine has the authority to carry forward that portion of the state ceiling allocated to the Finance Authority of Maine for education loans.

5. **Termination.** The authority of the Finance Authority of Maine to issue bonds under the Loans to Lenders Pilot Program terminates on March 1, 2000.

#### **Sec. 15. Commission on the State Ceiling on Tax-exempt Bonds.**

1. **Establishment.** The Commission on the State Ceiling on Tax-exempt Bonds, referred to in this section as the "commission," is established to study the allocation of the state ceiling on tax-exempt bonds.

2. **Membership.** The commission consists of 7 members having a broad range of expertise in areas including accounting, business, banking, law and higher education who are not involved with the state ceiling allocation, appointed as follows: Three members appointed by the Governor, 2 members appointed by the President of the Senate and 2 members appointed by the Speaker of the House.

3. **Appointments; chair.** All appointments must be made no later than 45 days following the effective date of this Act.

Upon making their appointments, the appointing authorities shall notify the Executive Director of the Legislative Council. The Governor, the President of the Senate and the Speaker of the House shall designate one member to serve as chair of the commission, who shall call and convene the first meeting of the commission no later than July 30, 1999.

4. **Duties.** The commission shall study issues related to the allocation of the state ceiling on tax-exempt bonds, including, but not limited to, the following:

A. The current bond allocation and reallocation process, the purposes for using the state ceiling on tax-exempt bonds, the public benefits derived from the use of the state ceiling, the composition of the bond issuers group authorized to allocate and reallocate the state ceiling and appropriate accountability mechanisms for the use of the state ceiling;

B. The history of and current structure for use of state resources for delivery of student loans;

C. The need for and appropriate role for a state-designated guarantee agency, the services and resources a guarantee agency should provide, the required use of a state-designated guarantee agency for student loans and a survey of alternative guarantors with an analysis of advantages and disadvantages to borrowers and the State;

D. The need for allocation of a portion of the state ceiling on private activity bonds to student loans, the savings attributable to the use of the state ceiling and how the savings can best be passed on to borrowers;

E. The current structure of higher education finance in this State, including analysis of the secondary loan market and the supplemental loan market, how entities involved in higher education lending provide loans and other services to students and parents in this State and whether there are appropriate accountability mechanisms for the use of the state ceiling and other public resources by the entities;

F. Whether there is sufficient access to student loans, the benefits and disadvantages of various student loan discount programs and how those benefits and disadvantages should be disclosed to borrowers; and

G. Whether tax-exempt bond proceeds can be used to fund student loans by private lenders and, if so, what the

advantages and disadvantages would be, and how to implement such a program.

5. **Report.** No later than January 14, 2000, the commission shall submit a report of its findings, together with any necessary implementing legislation, to the Joint Standing Committee on Business and Economic Development. The report must include recommendations with respect to the required use of the state-designated guarantee agency for student loans and the continuation of the Loans to Lenders Pilot Program. The Joint Standing Committee on Business and Economic Development may report out any legislation during the Second Regular Session of the 119th Legislature concerning the findings and recommendations of the commission.

6. **Funding.** The costs of the commission's activities, not to exceed \$50,000, must be borne equally by the Maine Educational Loan Authority and the Finance Authority of Maine. Within 45 days of its first meeting, the commission shall prepare a budget and work plan and provide them to the Executive Director of the Legislative Council. The commission shall administer the commission's budget and shall include an accounting of its funding and expenditures as part of its report.

7. **Staffing.** The commission may contract with a consultant or expert to provide primary staff support. The Commissioner of Professional and Financial Regulation, the Commissioner of Education, the Executive Director of the Maine Educational Loan Authority, and the Chief Executive Officer of the Finance Authority of Maine shall be available to provide technical assistance to the commission.

8. **Compensation.** Public members not otherwise compensated by their employers or other entities whom they represent are entitled to receive reimbursement of necessary expenses and a per diem equal to the legislative per diem for their attendance at authorized meetings of the commission.

9. **Commission meetings.** Meetings of the commission are public proceedings and records of the commission are public records as defined in the laws governing freedom of access, Maine Revised Statutes, Title 1, chapter 13.

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.



Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns

File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions.

Name: Maine Educational Loan Marketing Corporation
Employer identification number: 01-0390854
Number, street, and room or suite no.: One City Center
City, town or post office, state, and ZIP code: Portland, ME 04101

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

- 1 I request an extension of time until November 15 2000 to file (check only one):
Form 706-GS(D)
Form 706-GS(T)
Form 990 or 990-EZ
Form 990-BL
Form 990-PF
Form 990-T (sec. 401(a) or 408(a) trust)
Form 990-T (trust other than above)
Form 1041 (estate) (see instructions)
Form 1041-A
Form 1042
Form 1120-ND (sec. 4951 taxes)
Form 3520-A
Form 4720
Form 5227
Form 6069
Form 8612
Form 8613
Form 8725
Form 8804
Form 8831

If the organization does not have an office or place of business in the United States, check this box

- 2a For calendar year 1999, or other tax year beginning and ending
b If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
3 Has an extension of time to file been previously granted for this tax year? Yes No

4 State in detail why you need the extension
Additional time is needed to gather the info complete and accurate return.

- 5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits.
b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter estimated tax payments made. Include any prior year overpayment allowed.
c Balance due. Subtract line 5b from line 5a. Include your payment with coupon if required. See instructions

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and attachments, and that the information shown is true, correct, and complete; and that I am authorized to prepare this form.

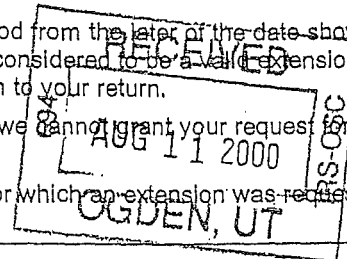
Signature: Wendy L. Arlt Title: President

Date: 04 Aug 2000

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS

- We HAVE approved your application. Please attach this form to your return.
We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
Other:



Director By Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Name
Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)
City, town, or post office, state, and ZIP code. For a foreign address, see instructions.





# Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns

► File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions.

Name <b>Maine Educational Loan Marketing Corporation</b>	Employer identification number <b>01-0390854</b>
Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address) <b>One City Center</b>	
City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>Portland, ME 04101</b>	

**Note:** Corporate income tax return filers must use **Form 7004** to request an extension of time to file. Partnerships, REMICs, and trusts must use **Form 8736** to request an extension of time to file Form 1065, 1066, or 1041.

1 I request an extension of time until August 15, 2000, to file (check only one):

- |                                                        |                                                                   |                                                         |                                    |
|--------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D)                | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T)                | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 3520-A                    | <input type="checkbox"/> Form 8613 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see Instructions)    | <input type="checkbox"/> Form 4720                      | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL                   | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 5227                      | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF                   | <input type="checkbox"/> Form 1042                                | <input type="checkbox"/> Form 6069                      | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box

2a For calendar year 1999, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

b If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period

3 Has an extension of time to file been previously granted for this tax year?  Yes  No

4 State in detail why you need the extension.  
Additional time is needed to gather the information necessary to prepare and complete an accurate return.

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. .... \$ \_\_\_\_\_

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. .... \$ \_\_\_\_\_

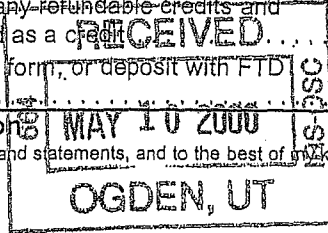
c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See Instructions. .... \$ None

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature Wendy Ault Title President

Date MAY 5 2000



**FILE ORIGINAL AND ONE COPY.** The IRS will show below whether or not your application is approved and will return the copy.

### Notice to Applicant — To Be Completed by the IRS

- We **HAVE** approved your application. Please attach this form to your return.
- We **HAVE NOT** approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- We **HAVE NOT** approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- Other: \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print	Name
	Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)
	City, town, or post office, state, and ZIP code. For a foreign address, see instructions.



Form 990	OTHER EXPENSES			Statement 1
<u>Description</u>	<u>(A)</u> <u>Total</u>	<u>(B)</u> <u>Program</u> <u>Services</u>	<u>(C)</u> <u>Management</u> <u>&amp; General</u>	<u>(D)</u> <u>Fundraising</u>
Administrative Servicing Expense.....	3,599,408	3,599,408		
Depository Fees.....	125,522	125,522		
Consolidation Rebate Expense.....	564,562	564,562		
Liquidity Fee .....	227,351	227,351		
Bond Administration Fee.....	53,387		53,387	
Excess Arbitrage.....	720,265	720,265		
Provision for Loan Loss.....	98,796	98,796		
BTI Servicing Fees.....	136,433	136,433		
UNIPAC Servicing Fees....	2,227,086	2,227,086		
Other Professional Fees.....	73,963	73,963		
Other Servicing Fees.....	122,558	122,558		
Marketing.....	322,875	322,875		
Bond Insurance Expense....	363,979	363,979		
Bond Fees.....	733,150		733,150	
Miscellaneous Operating.....	1,990	1,990		
<b>Total to Form 990, Line 43</b>	<u>9,371,325</u>	<u>8,584,788</u>	<u>786,537</u>	<u>0</u>



Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement 2
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Explanation

To promote & carry out the charitable & educational objectives of the State of Maine embodied in the Maine guaranteed student & parental loan programs, by encouraging lenders to make educational loans under the U.S. Higher Education Act of 1965, to Maine residents or their parents to assist attendance at post-secondary educational institutions within or without Maine, & non-residents of Maine or their parents to assist attendance at a post-secondary educational institutions within Maine, through creation & operation of a secondary market & warehousing facility which will provide liquidity for investments in such loans & in educational loans made by lenders located within Maine to non-residents of Maine or their parents to assist attendance at post-secondary educational institutions located outside Maine.

Form 990	OTHER NOTES AND LOANS RECEIVABLE	Statement 3
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<u>Description</u>	<u>Doubtful Acct. Allowance</u>	<u>Balance Due</u>
Student Loans	<u>\$345,000</u>	<u>\$390,425,314</u>
Totals Included on Form 990, Part IV, Line 51	<u>\$345,000</u>	<u>\$390,425,314</u>

Form 990	NON-GOVERNMENT SECURITIES	Statement 4
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<u>Description</u>	<u>Value Method</u>	<u>Corporate Stocks</u>	<u>Corporate Bonds</u>	<u>Other publicly Traded Securities</u>	<u>Other Securities</u>	<u>Total Non-Govt. Securities</u>
Commercial	Cost					
Banking Deposits					4,684,154	4,684,154
Repurchase Agreement	Cost				75,600,200	75,600,200
Guaranteed	Cost					
Investment Contracts					<u>23,460,250</u>	<u>23,460,250</u>
Total Form 990, Line 54, Col B					<u>103,744,604</u>	<u>103,744,604</u>



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Form 990	OTHER ASSETS	Statement 5
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<u>Description</u>	<u>Amount</u>
Receivable - Other	38,187
Interest Receivable	9,409,339
Deferred Bond Issuance Cost - Net of Amortization	<u>2,276,663</u>
Total to Form 990, Line 58, Column B	<u>11,724,189</u>

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Form 990	OTHER LIABILITIES	Statement 6
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<u>Description</u>	<u>Amount</u>
Educational Loan Revenue Bonds Payable	497,426,941
Arbitrage Earnings Rebatale	<u>4,219,668</u>
Total to Form 990, Part IV, Line 65, Column B	<u>501,646,609</u>

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Form 990	PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEE & KEY EMPLOYEES	Statement 7
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<u>Name &amp; Address</u>	<u>Title</u>	<u>Average Hours Per Week</u>	<u>Compen- sation</u>	<u>Employee Ben Plan Contrib.</u>	<u>Exp. Acct.</u>
Wendy L. Ault RR1, Box 24 Wayne, ME	President	40+	8,944	0	0
Joseph H. Gambino 14 Boutelle Road Bangor, ME	Director	As needed	500	0	0
Leroy J. Barry P.O. Box 129 Madison, ME	Director	As needed	1,150	0	0
Harry B. Dunn, III Little Diamond Island Portland, ME	Director	As needed	1,000	0	0





<u>Name &amp; Address</u>	<u>Title</u>	<u>Average Hours Per Week</u>	<u>Compensation</u>	<u>Employee Ben Plan Contrib.</u>	<u>Exp. Acct.</u>
Blythe J. McGarvie 10 High Point Scarborough, ME	Director	As needed	2,100	0	0
Patricia B. McNamara 16 Woods Knoll Drive Cape Elizabeth, ME	Director	As needed	1,800	0	0
John R. Huard 7 Old Salt Road Old Orchard Beach, ME	Director	As needed	500	0	0
Robert A. Moore One Dana Street Portland, ME	Director	As needed	4,250	0	0
Mark E. Woodsum 33 Hutcherson Drive Gorham, ME	Director	As needed	1,300	0	0

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Form 990 IDENTIFICATION OF RELATED ORGANIZATIONS Statement 8  
Part IV, Line 80B

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<u>Name of Organization</u>	<u>Exempt</u>	<u>Non-Exempt</u>
Maine Educational Loan Authority (MELA)	X	
Maine Education Services (MES)	X	

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Form 990 LOBBYING ACTIVITY BY NONELECTING PUBLIC CHARITY Statement 9  
Part VI B

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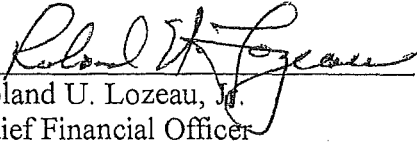
In January of 1999, legislation was proposed in the State of Maine that would have removed allocation of any state ceiling on tax-exempt, private activity bonds to education. On June 9, 1999, the Legislature of Maine enacted LD 1206 (Exhibit A), which did not allocate any state ceiling on tax-exempt, private activity bonds to education for the year 2000 and established the Commission on the State Ceiling on Tax-Exempt Bonds (the "Commission") to study the need for allocation of any portion of the state ceiling on tax-exempt, private activity bonds to student loans in the future. Maine Educational Loan Marketing Corporation ("MELMAC") requires allocation of state ceiling on tax-exempt, private activity bonds to student loans in order to continue its activities as a nonprofit secondary market for student loans, which is the charitable and educational purpose for which MELMAC is organized. If the Legislature did not







I certify that the attached September 1999 Bylaw Revisions are a complete and accurate copy of the original documents.

A handwritten signature in cursive script, appearing to read "Roland U. Lozeau, Jr.", is written over a horizontal line.

Roland U. Lozeau, Jr.  
Chief Financial Officer



# MAINE EDUCATIONAL LOAN MARKETING CORPORATION

## AMENDED AND RESTATED BYLAWS

(May 19, 1994, as further amended November 1, 1995 and September 14, 1999)

### ARTICLE I

The Corporation shall at all times maintain a registered office in the State of Maine and a registered agent at that address, but may have other offices located within or without the State of Maine as the Board of Directors shall determine.

### ARTICLE II

#### PURPOSES

Section 2.01. *Purposes.* The Corporation is organized exclusively to promote and carry out the charitable and educational objectives (within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended) of the State of Maine embodied in the Maine Guaranteed Student and Parental Loan Programs, by encouraging lenders to make educational loans under the United States Higher Education Act of 1965, as amended, to (i) Maine residents or their parents to assist attendance at post-secondary educational institutions within or without Maine, and (ii) non-residents of Maine or their parents to assist attendance at post-secondary educational institutions within Maine, through creation and operation by the Corporation of a secondary market and warehousing facility which will provide liquidity for investments in such loans and in educational loans made by lenders located within Maine to non-residents of Maine or their parents to assist attendance at post-secondary educational institutions located outside Maine, and, in furtherance of the accomplishment of the exclusive purposes of the Corporation, to conduct any and all lawful affairs incidental or necessary to the accomplishment of such purposes for which nonprofit corporations may be incorporated under the laws of the State of Maine as such laws may be amended from time to time.

Section 2.02. *Section 501(c)(3).* Notwithstanding anything contained herein to the contrary, the Corporation is organized and shall be operated exclusively for purposes provided in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as the same now exists or as it may be amended from time to time. No part of the net earnings of this Corporation shall inure to the benefit of any private shareholder, member or individual; no substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation; and the Corporation shall not participate in, or intervene in (by publishing or distribution statements or otherwise), any political campaign on behalf of any candidate for public office.

Section 2.03. *Dissolution and Income.* Any income of the Corporation (after payment of expenses, debt service, and creation of reserves for the same) shall be used to purchase additional loans meeting the criteria set forth in Section 2.01 hereof or shall be paid over to the United States. Upon dissolution of the Corporation, any such income shall be paid over to the United States.





## ARTICLE III

### BOARD OF DIRECTORS

Section 3.01. *General Powers.* The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation.

Section 3.02. *Number and Term of Office.* The number of directors shall be between five (5) and seven (7), inclusive (other than due to temporary vacancies). Directors shall hold office for a term of three (3) years, except that (i) the initial term of any director shall be one year if appointed at the annual meeting, or otherwise shall expire at the second annual meeting following such initial appointment and (ii) if while serving as a director of the Corporation, any director shall be appointed, for the first time and prior to September 14, 1999, as a director of MES—Maine Education Services, then such director's term as director of the Corporation shall expire upon the expiration of such term at MES—Maine Education Services. At the annual meeting coincident with the expiration of the respective terms of the directors, the directors shall, by affirmative vote of a majority thereof, elect directors for the directorships expiring as of such annual meeting for the terms described above, commencing on the date of election at such annual meeting and ending on the date of the annual meeting following the designated number of years of the term as described above. No director shall serve for more than three successive terms, except that for such purpose, any term of less than two years shall not constitute a term.

Section 3.03. *Filling of Vacancies.* In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office in place of the director whose place shall be vacant for a term (notwithstanding the term of the former director) ending as of the date of the second annual meeting following the appointment of such successor, or until election of said director's successor, or until such director shall be removed, prior thereto, by an affirmative vote of a majority of the Board of Directors, subject to Section 3.2.

Any director may be removed from office with or without cause by the affirmative vote of a majority of the directors entitled to vote at any special meeting of directors called for that purpose.

Section 3.04. *Place of Meeting.* The Board of Directors may hold their meetings and keep the books of the Corporation either within or outside the State of Maine, at such place or places as they may from time to time determine by resolution or by written consent of all the directors. The Board of Directors may hold their meeting by conference, telephone or other similar electronic communications equipment pursuant to which each participant at the meeting can hear the other.

Section 3.05. *Annual and Regular Meetings.* Regular meetings of the Board of Directors may be held without notice at such time and place and on such date or dates as shall from time to time be determined by resolution of the Board. The annual meeting of the Board of Directors shall be held in September or October of each year at such time and place and on such date as shall be determined by resolution by the Board of Directors for the purpose of electing directors and officers to succeed those whose terms are expiring at such time. Notice of every



resolution of the Board fixing or changing the time or place for the holding of regular meetings of the Board or the annual meeting shall be given to each director at least seven days prior to the first meeting held pursuant to such resolution by mail, personal delivery, telex, telecopy or cablegram. The Board may transact any business that comes before it. Any additional business may be transacted at any regular or annual meeting of the Board.

Section 3.06. *Special Meetings.* Special meetings of the Board of Directors shall be held whenever called by the Chair, the President or any three directors. The Secretary shall give notice of each special meeting of the Board of Directors, at least one (1) day prior to the meeting by personal delivery, telex, telecopy or cablegram; but such notice may be waived by any director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at any special meeting. At any meeting at which every director shall be present, even though without notice, any business may be transacted, and any director may in writing waive notice of the time, place and objectives of any special meeting, or, if present at such meeting, shall be deemed to have waived notice.

Section 3.07. *Quorum.* A majority of the whole number of directors then serving as the Board of Directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but, if at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Articles of Incorporation or by these bylaws.

Section 3.08. *Required Vote.* An affirmative vote of a majority of those present shall be necessary for the passage of any resolution; provided, however, that if any directors excuse themselves with regard to any matter due to a conflict of interest, an affirmative vote of a majority of the remaining directors shall be sufficient for passing of any resolution.

Section 3.09. *Compensation of Directors.* Upon adoption of a resolution of the Board of Directors authorizing the same, each director shall be entitled to full reimbursement for all expenses incurred by such director in connection with the conduct of the Corporation's business and to such other compensation as shall be determined by the resolution of the Board of Directors.

Section 3.10. *Committees.* The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Corporation nominated by the Chair and approved by resolution of the Board, which, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors. In addition to the two directors so nominated and approved, the Chair shall be an *ex officio* member of each committee. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors and officers of the Corporation may be named as non-voting members thereof (unless such officer is also a director).



## ARTICLE IV

### OFFICERS

Section 4.01. *Election, Tenure and Compensation.* The officers of the Corporation shall be a Chair and Vice Chair of the Board, and a President, Secretary and Treasurer, and also such other officers including one or more assistants to the foregoing officers as the Board of Directors from time to time may consider necessary for the proper conduct of the business of the Corporation. The officers shall be elected at the annual meeting of the Board of Directors to serve a term of one (1) year expiring at the next annual meeting. Except for the Chair and Vice Chair of the Board, the officers need not be directors. Any two or more of the above offices may be held by the same person, except those of President and Secretary. The compensation or salary paid all officers of the Corporation shall be fixed by resolutions adopted by the Board of Directors or a committee thereof duly authorized.

In the event that any office other than an office required by law, shall not be filled by the Board of Directors, or, once filled, subsequently becomes vacant, then such office and all references thereto in these bylaws shall be deemed inoperative unless and until such office is filled in accordance with the provisions of these bylaws. Any such vacancy may be filled by election of the Board of Directors at any meeting.

Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all officers and agents of the Corporation shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors, and all officers, agents and employees shall hold office at the discretion of the Board of Directors.

Section 4.02. *Powers and Duties of the Chair.* The Chair of the Board of Directors shall conduct all meetings of the Board of Directors and carry out such other duties as are enumerated in their Bylaws or which may be designated by resolution of the Board of Directors. No director shall serve as Chair of the Board for more than three successive one-year terms.

Section 4.03. *Powers and Duties of the Vice Chair.* The Board of Directors may appoint a Vice Chair who shall have such powers and shall perform such duties as may be assigned to the Vice Chair by the Board of Directors. In case of the absence or disability of the Chair, the duties of that office shall be performed by a Vice Chair, and the taking of any action by any such Vice Chair in place of the Chair shall be conclusive evidence of the absence or disability of the Chair.

Section 4.04. *Powers and Duties of the President.* The President shall be the chief executive officer of the Corporation and shall have general charge and control of all its business affairs and properties.

The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation. The President shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. The President shall be ex-officio a member of all standing committees. The President shall do and perform such other duties as may, from time to time, be assigned to the President by the Board of Directors.



Section 4.05. *Secretary.* The Secretary shall give, or cause to be given, notice of all meetings of directors and all other notices required by law or by these bylaws, and in case of the Secretary's absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the President, or by the directors upon whose written request the meeting is called as provided in these bylaws. The Secretary shall record all the proceedings of the meetings of directors in books provided for that purpose, and the Secretary shall perform such other duties as may be assigned to the Secretary by the directors or the President. The Secretary shall have custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board of Directors or the President, and attest the same. In general, the Secretary shall perform all the duties generally incident to the office of the secretary of a corporation, subject to the direction and control of the Board of Directors and the President.

Section 4.06. *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Corporation, and the Treasurer shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall render to the President and the Board of Directors, whenever either of them so requests, an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Corporation.

The Treasurer shall give the Corporation a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, at the expense of the Corporation, for the faithful performance of the duties of this office and for the restoration to the Corporation in case of the Treasurer's death, resignation, retirement or removal from office of all books, papers, vouchers, moneys and other properties of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

The Treasurer shall perform all the duties generally incident to the office of the treasurer of a corporation, subject to the direction and control of the Board of Directors and the President.

Section 4.07. *Assistant Secretary.* The Board of Directors may appoint an Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned to the Assistant Secretary by the Board of Directors or the President. In case of the absence or disability of the Secretary, the duties of the office shall be performed by any such Assistant Secretary, and the taking of any action by any such Assistant Secretary in place of the Secretary shall be conclusive evidence of the absence or disability of the Secretary.

Section 4.08. *Assistant Treasurer.* The Board of Directors may appoint an Assistant Treasurer or more than one Assistant Treasurer. Each Assistant Treasurer shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Treasurer in the absence or disability of the Treasurer and shall have such other powers and





shall perform such other duties as may be assigned to the Assistant Treasurer by the Board of Directors or the President. In case of the absence or disability of the Treasurer, the duties of the office shall be performed by any such Assistant Treasurer, and the taking of any action by any such Assistant Treasurer in place of the Treasurer shall be conclusive evidence of the absence or disability of the Treasurer.

## ARTICLE V

### CORPORATE SEAL

The seal of the Corporation shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to use such a seal at any time, or in the event the Board of Directors shall not have determined to adopt a corporate seal, the signature of the Corporation followed by the word "Seal" enclosed in parentheses or scroll shall be deemed the seal of the Corporation. The seal shall be in the custody of the Secretary and affixed by the Secretary or the Secretary's assistants on all appropriate papers.

## ARTICLE VI

### BANK ACCOUNTS AND LOANS

Section 6.01. *Bank Accounts.* Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors and such officers or agents as from time to time shall be authorized by the Board of Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of the Corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors, until written notice of the revocation of the authority of such officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts or other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President and countersigned by the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer of the Corporation.

Section 6.02. *Loans.* Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such banks, trust companies, institutions, corporations, firms or persons as the Board of Directors shall from time to time designate, and as security for the repayment of such loans, advances or other forms of credit to



assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interests of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial papers and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

## ARTICLE VII

### INFORMAL ACTION

Any action that may be taken by the Board of Directors at a formal meeting may also be taken without a meeting if all directors of the Corporation agree to such action and such consent in writing, setting forth the action so to be taken, shall be signed by all of the directors and forthwith made a part of the minutes of the meetings of the Board of Directors.

## ARTICLE VIII

### AMENDMENTS

The Board of Directors shall have the power and authority to amend, alter or repeal these bylaws or any provision thereof, and may from time to time adopt additional bylaws; provided the same is approved by a vote of the majority of the directors present and voting at any annual, regular or special meeting and that the substance of any change is stated in a notice of meeting at which action is to be taken given at least 30 days in advance unless otherwise waived as provided herein.

## ARTICLE IX

### INDEMNIFICATION

Section 9.01. *Indemnity.* Each director and officer of the Corporation now or hereafter serving as such, shall be indemnified by the Corporation against any and all claims and liabilities to which such director or officer has or shall become subject by reason of serving or having served as such director or officer, or by reason of any action alleged to have been taken, omitted or neglected by such director or officer as a director or officer; and the Corporation shall reimburse such person for all legal expenses reasonably incurred by such person in connection with any such claim or liability, provided, however, that no such person shall be indemnified



against or be reimbursed for any expense incurred in connection with any claims or liability arising out of such director's or officer's own willful misconduct or gross negligence.

Section 9.02. *Limitation.* The amount paid to any officer or director by way of indemnification shall not exceed such director's or officer's actual, reasonable and necessary expenses incurred in connection with the matter involved.

Section 9.03. *Not Exclusive.* The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any director or officer of the Corporation may otherwise be entitled by law.

Secretary



**EXHIBIT A**

[Deleted]





## EXHIBIT B

As of May 19, 1994, the following persons shall be directors of the Corporation for terms expiring as of the Corporation's Annual Meeting held in the year designated below:

<u>Director</u>	<u>Year of Expiration</u>
Scottie Higgins*	1994
Bennett D. Katz	1994
Nancy N. Masterson	1994
Patricia B. McNamara	1994
Walter H. Moulton	1994
Anne M. Pare'	1994
Richard A. Crabtree	1995
Peter J. Moynihan	1995
Gordon R. Pow	1995

\*One-year term by virtue of being President



EXHIBIT A

APPROVED

CHAPTER

JUN 09 '99

443

STATE OF MAINE

BY GOVERNOR

PUBLIC LAW

—  
IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-NINE

—  
S.P. 417 - L.D. 1206

**An Act to Provide for the 1999 and 2000 Allocations of the  
State Ceiling on Private Activity Bonds**

**Preamble.** The Constitution of Maine, Article V, Part First, Section 8 provides that certain statutes enacted relating to confirmation procedures for gubernatorial nominees require a 2/3 vote of the members of each House present and voting.

**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Maine Revised Statutes, Title 10, section 363 and Private and Special Law 1997, chapter 65 make a partial allocation of the state ceiling on private activity bonds to some issuers for calendar year 1999, but leave a portion of the state ceiling unallocated and do not provide sufficient allocations for certain types of private activity bonds that may require an allocation before the effective date of this Act if not enacted on an emergency basis; and

Whereas, if these bond issues must be delayed due to lack of available state ceiling, the rates and terms under which these bonds may be issued may be adversely affected, resulting in increased costs to beneficiaries or even unavailability of financing for certain projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,



APPROVED

CHAPTER

JUN 09 99

443

STATE OF MAINE

BY GOVERNOR

PUBLIC LAW

IN THE YEAR OF OUR LORD  
NINETEEN HUNDRED AND NINETY-NINE

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Whereas, if these bond issues must be delayed due to lack of available state ceiling, the rates and terms under which these bonds may be issued may be adversely affected, resulting in increased costs to beneficiaries or even unavailability of financing for certain projects; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,



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

Sec. 1. 10 MRSA §363, sub-§1-A, as amended by PL 1989, c. 812, §1, is further amended to read:

1-A. Procedure. For ~~calendar-year-1987~~ and each subsequent calendar year, the Legislature may establish a procedure for allocation of the entire amount of the state ceiling by allocating an amount of the state ceiling to the specific issuers designated in this section for further allocation by each specific issuer to itself or to other issuers for specific bond issues requiring an allocation of the state ceiling or for carryforward. This procedure supersedes the federal formula to the full extent that the United States Code, Title 26, authorizes the Legislature to vary the federal formula. Allocations may be reviewed by the Legislature periodically and unused allocations may be reallocated to other issuers, ~~provided that:~~ however, notwithstanding the existence of legislation allocating or reallocating all or any portion of the state ceiling, at any time during the period from September 1st to and including December 31st of any calendar year, and at any other time that the Legislature is not in session, a group consisting of a representative of each of the issuers specifically identified in subsections 4 to § 7; a representative of a corporation created pursuant to Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may, by unanimous written agreement executed by no fewer than 5 of the 6 representatives ~~of each of the issuers~~, allocate amounts not previously allocated and reallocate unused allocations from one of the specific issuers designated in this section to another specific issuer for further allocation or carryforward, with respect to the state ceiling for that calendar year only.

Sec. 2. 10 MRSA §363, sub-§8, as amended by PL 1989, c. 502, Pt. A, §27, is further amended to read:

8. Allocations for educational bonds. That portion of the state ceiling allocated to the categories of bonds providing funds for the purposes of a corporation created pursuant to Title 20, section 2237, and Title 20-A, section 11407, or of the Maine Educational Loan Authority ~~shall~~ must be allocated to that corporation or to the Maine Educational Loan Authority, or both, and each may further allocate the portion of the state ceiling allocated to it to bonds requiring an allocation to qualify as tax-exempt bonds. That portion of the state ceiling allocated to the issuance of bonds for education loans for the Loans to Lenders Pilot Program must be allocated to the Finance Authority of Maine.





A. Prior to receiving an allocation of the state ceiling for the issuance of education loans, an issuer or lender must provide to the appropriate agency within the Department of Professional and Financial Regulation examples of the disclosures to be made to loan recipients or obligors. The information must be provided to the Bureau of Banking if the issuer or lender is a financial institution or credit union established pursuant to state or federal law or to the Office of Consumer Credit Regulation for all other issuers or lenders. This information must be provided to the appropriate agency within the Department of Professional and Financial Regulation upon request, or in the course of an examination of the issuer or lender by the agency, and must include a description of any interest rate or other discounts offered that clearly identifies all of the terms and conditions of obtaining any discount, a projection of the approximate number or percentage of loan obligors who are likely to benefit from the discounts and any other disclosures pursuant to guidelines established by the Bureau of Banking and the Office of Consumer Credit Regulation for the issuance of education loans that would benefit from an allocation of the state ceiling. The Bureau of Banking and the Office of Consumer Credit Regulation shall jointly adopt, to the extent allowed by law, rules to carry out the provisions of this paragraph by establishing uniform disclosure requirements and sanctions for noncompliance. Rules adopted pursuant to this paragraph are routine technical rules, as defined in Title 5, chapter 375, subchapter II-A. All information provided to the appropriate agencies within the Department of Professional and Financial Regulation must include the source of the information and the basis for any projections.

B. All education loans made under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 that are purchased or originated with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.



Sec. 3. 10 MRSA §363, sub-§9, as amended by PL 1989, c. 224, §2, is further amended to read:

9. Use of carryforward. In the event that any issuer has made a ~~carry-forward~~ carryforward election under the United States Code, Title 26, Section 146(f), as amended, the issuer shall use, to the extent possible and consistent with the purpose for which the ~~carry-forward~~ carryforward was elected, the ~~carry-forward~~ carryforward for issues subject to the state ceiling prior to allocating any portion of the state ceiling for the applicable calendar year to the issue. To the extent permitted by federal law, a group consisting of a representative of each of the issuers specifically identified in subsections 4 to 8 7; a representative of a corporation created pursuant to Title 20, section 2237 and Title 20-A, section 11407; and a representative of the Governor designated each year by the Governor may reallocate, by unanimous written agreement executed by no fewer than 5 of the 6 representatives of--each--of--the issuers, ~~carry-forward~~ carryforward amounts from one of the specific issuers designated in this section to another specific issuer.

Sec. 4. 10 MRSA §363, sub-§§10 and 11 are enacted to read:

10. Allocation for benefit of State. All of the allocation of the state ceiling must be used for a purpose that benefits individuals, communities or businesses in this State. For purposes of this subsection, a bond issuance is presumed to benefit individuals, communities or businesses in this State if it benefits business operations located in this State, residents of this State, students attending institutions of higher education in this State, residents of this State attending institutions of higher education outside this State or municipalities in this State. An allocation of the state ceiling may only be used to purchase student loans if the borrower is a resident of this State or is a student attending an institution of higher education in this State or if the borrower has previously obtained a student loan while a resident of this State or while attending an institution of higher education in this State. A student eligible to receive the benefit of a portion of the state ceiling remains eligible for student loans notwithstanding any changes in residency or institution attended.

11. Annual review. By March 15th of each year, each issuer identified in subsections 4 to 8 shall deliver a report to the Governor and the joint standing committee of the Legislature having jurisdiction over business and economic development matters. Each report must include, without limitation, a review of what bonds have been issued in the most recent year, how the state ceiling was allocated or carried forward and who has



benefited from the proceeds of the tax-exempt bonds in that year. 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.

Sec. 5, 20-A MRSA §11407, as amended by PL 1989, c. 812, §3, is further amended to read:

**§11407. Authorization for Governor to request organizations of corporations to acquire loan notes**

To the extent and for the purposes contemplated by the federal Internal Revenue Code of 1954, Section 103(e), as amended, and successor provisions thereto, including without limitation the federal Internal Revenue Code of 1986, Section 150(d), as amended, the Governor may on behalf of the State request the organization of one or more nonprofit corporations to operate exclusively for the purpose of acquiring student loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended. A nonprofit corporation formed under this section shall report annually on its activities during the previous fiscal year to the joint standing committee of the Legislature having jurisdiction over economic development matters, the joint standing committee of the Legislature having jurisdiction over appropriation matters and the joint standing committee of the Legislature having jurisdiction over education matters. That report must include a listing of the current directors and officers of the corporation, a summary of the corporation's purchases of loans in the secondary market during the previous fiscal year, a listing of the institutions from which loans were purchased during the previous fiscal year, a summary of the organization's direct student loans and a complete financial statement of the corporation's operations for the previous fiscal year, including a breakdown of income and costs, a breakdown of the administrative and operating costs of the corporation, a breakdown of the assets and liabilities of the corporation, total excess revenues over expenditures for the previous fiscal year and the total accumulation of these revenues, total income derived from investments during the previous fiscal year and a breakdown showing the disposition and use of excess revenues and the proceeds from investments. That report must include similar information on all affiliated entities. That report must be provided annually in writing to the committee by December 1st.

All education loan notes incurred under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28 by a nonprofit corporation formed under this section that are acquired



with proceeds of tax-exempt bonds using a portion of the state ceiling on private activity bonds must be guaranteed by the state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I, provided that this requirement does not apply to serial loans of a borrower that are guaranteed by a different guarantee agency and acquired or financed with tax-exempt bond proceeds prior to the effective date of this paragraph. The state agency designated as administrator of federal guaranteed student loan programs pursuant to Title 20-A, chapter 417, subchapter I shall use its best efforts to provide competitive rates for the guarantee function. This paragraph is repealed on July 15, 2000.

Sec. 6. 20-A MRSA §11415, sub-§1, as amended by PL 1995, c. 519, §6, is further amended to read:

1. Composition. There are 7 voting members of the authority, 5 of whom must be appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over economic development matters and confirmation by the Legislature.

Sec. 7. Allocation to Treasurer of State. No portion of the state ceiling for calendar year 1999 was previously allocated to the Treasurer of State. No portion of the state ceiling for calendar year 2000 is allocated to the Treasurer of State.

Sec. 8. Allocation to Finance Authority of Maine. The \$25,000,000 of the state ceiling for calendar year 1999 previously allocated to the Finance Authority of Maine remains allocated to the Finance Authority of Maine to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 6. Ten million dollars of the state ceiling for calendar year 1999 previously unallocated is now allocated to the Finance Authority of Maine to be used for higher education loans under the Loans to Lenders Pilot Program in accordance with that section of this Act that establishes the Loans to Lenders Pilot Program. Twenty-five million dollars of the state ceiling for calendar year 2000 is allocated to the Finance Authority of Maine to be used or reallocated in accordance with Title 10, section 363, subsection 6.

Sec. 9. Allocation to Maine Municipal Bond Bank. The \$10,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Municipal Bond Bank remains allocated to the Maine Municipal Bond Bank to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 7. Ten million dollars of the state ceiling for calendar year 2000 is allocated to the Maine Municipal Bond Bank to be used or





reallocated in accordance with Title 10, section 363, subsection 7.

**Sec. 10. Allocation to Maine Educational Loan Authority.** The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Authority remains allocated to the Maine Educational Loan Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

**Sec. 11. Allocation to Maine Educational Loan Marketing Corporation.** The \$20,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine Educational Loan Marketing Corporation remains allocated to the Maine Educational Loan Marketing Corporation to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 8.

**Sec. 12. Allocation to Maine State Housing Authority.** The \$40,000,000 of the state ceiling for calendar year 1999 previously allocated to the Maine State Housing Authority remains allocated to the Maine State Housing Authority to be used or reallocated in accordance with the Maine Revised Statutes, Title 10, section 363, subsection 4. Forty million dollars of the state ceiling for calendar year 2000 is allocated to the Maine State Housing Authority for the same uses.

**Sec. 13. Unallocated state ceiling.** Twenty-five million dollars of the state ceiling for calendar year 1999 remains unallocated and must be reserved for future allocation in accordance with applicable laws. Seventy-five million dollars of the state ceiling for calendar year 2000 is unallocated and must be reserved for future allocation in accordance with applicable laws.

**Sec. 14. Pilot program established.** The Loans to Lenders Pilot Program is established within the Finance Authority of Maine to study the feasibility of and implement a pilot program by which lending institutions may access a portion of the proceeds of bonds issued using an allocation of the state ceiling allocated to the Finance Authority of Maine for education loans.

1. **Issuance; purpose; payment; authorization; interim receipts or certificates.** Pursuant to the Loans to Lenders Pilot Program, the Finance Authority of Maine may issue bonds without limitation for the purpose of making loans to credit unions and financial institutions that make loans for educational purposes and are authorized to do business in the State as defined in the Maine Revised Statutes, Title 9-B, section 131, subsections 12-A and 17-A. The bonds of each issue must be payable from those



sources specified in the agreement with bondholders, including without limitation: principal and interest on loans; guarantee payments or any payments received from the Federal Government with respect to loans for educational purposes; payments by institutions, banks, insurance companies or others pursuant to letters of credit or purchase agreements; investment earnings from funds or accounts maintained pursuant to a trust agreement or other document; insurance proceeds; loan funding deposits; proceeds from sales of education loans; proceeds from refunding bonds; and other fees, charges or revenues of the authority.

A. The Finance Authority of Maine is responsible for administering the Loans to Lenders Pilot Program and the administration of the Loans to Lenders Pilot Program is a purpose of the Finance Authority of Maine pursuant to Title 10, section 1013.

B. The Loans to Lenders Pilot Program is a program authorized pursuant to Title 20-A, chapter 417-B, to which sections 11442 to 11457 apply, except as expressly stated in paragraph C.

C. Notwithstanding paragraph B, for purposes of the Loans to Lenders Pilot Program:

(1) The term "education loan series portfolio" means all education loans made by a specific institution that are funded from or acquired by the proceeds of a Finance Authority of Maine loan to the institution out of the proceeds of a specific related bond issue through the authority;

(2) The term "institution" includes a financial institution described in this subsection; and

(3) All references in Title 20-A, chapter 417-B to the Student Financial Aid Supplemental Loan Program that are determined by the Finance Authority of Maine to be required for the implementation and administration of the Loans to Lenders Pilot Program are considered references to the Loans to Lenders Pilot Program.

2. Rules. The Finance Authority of Maine shall adopt rules, which are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A, setting forth a process for the distribution of the proceeds of bonds issued under the Loans to Lenders Pilot Program. The process established must have a goal of providing the greatest possible benefit to education loan borrowers. As part of its rulemaking, the Finance Authority of Maine shall develop criteria for determining whether a financial



institution is qualified to participate in the Loans to Lenders Pilot Program. Such criteria must include, at a minimum, the ability to demonstrate how the student will benefit from the loan program.

3. **Interim report.** The Finance Authority of Maine shall submit an interim report to the Joint Standing Committee on Business and Economic Development by January 14, 2000. The report must outline the elements of the Loans to Lenders Pilot Program, including rules adopted to implement the program. The report must also include an assessment of the effectiveness of the Loans to Lenders Pilot Program and whether the program should continue.

4. **Unused funds.** If a determination is made by the Finance Authority of Maine that institutions are not eligible to receive bond proceeds issued by the Finance Authority of Maine under the Loans to Lenders Pilot Program, any unused bond allocation allocated to the Finance Authority of Maine for education loans pursuant to that section of this Act that makes allocation to the Finance Authority of Maine must be reallocated to the unallocated portion of the state ceiling by December 15, 1999. If bonds can be issued under the Loans to Lenders Pilot Program but have not been issued by December 31, 1999, the unused bond allocation must be carried forward. The Finance Authority of Maine has the authority to carry forward that portion of the state ceiling allocated to the Finance Authority of Maine for education loans.

5. **Termination.** The authority of the Finance Authority of Maine to issue bonds under the Loans to Lenders Pilot Program terminates on March 1, 2000.

#### **Sec. 15. Commission on the State Ceiling on Tax-exempt Bonds.**

1. **Establishment.** The Commission on the State Ceiling on Tax-exempt Bonds, referred to in this section as the "commission," is established to study the allocation of the state ceiling on tax-exempt bonds.

2. **Membership.** The commission consists of 7 members having a broad range of expertise in areas including accounting, business, banking, law and higher education who are not involved with the state ceiling allocation, appointed as follows: Three members appointed by the Governor, 2 members appointed by the President of the Senate and 2 members appointed by the Speaker of the House.

3. **Appointments; chair.** All appointments must be made no later than 45 days following the effective date of this Act.



Upon making their appointments, the appointing authorities shall notify the Executive Director of the Legislative Council. The Governor, the President of the Senate and the Speaker of the House shall designate one member to serve as chair of the commission, who shall call and convene the first meeting of the commission no later than July 30, 1999.

4. **Duties.** The commission shall study issues related to the allocation of the state ceiling on tax-exempt bonds, including, but not limited to, the following:

A. The current bond allocation and reallocation process, the purposes for using the state ceiling on tax-exempt bonds, the public benefits derived from the use of the state ceiling, the composition of the bond issuers group authorized to allocate and reallocate the state ceiling and appropriate accountability mechanisms for the use of the state ceiling;

B. The history of and current structure for use of state resources for delivery of student loans;

C. The need for and appropriate role for a state-designated guarantee agency, the services and resources a guarantee agency should provide, the required use of a state-designated guarantee agency for student loans and a survey of alternative guarantors with an analysis of advantages and disadvantages to borrowers and the State;

D. The need for allocation of a portion of the state ceiling on private activity bonds to student loans, the savings attributable to the use of the state ceiling and how the savings can best be passed on to borrowers;

E. The current structure of higher education finance in this State, including analysis of the secondary loan market and the supplemental loan market, how entities involved in higher education lending provide loans and other services to students and parents in this State and whether there are appropriate accountability mechanisms for the use of the state ceiling and other public resources by the entities;

F. Whether there is sufficient access to student loans, the benefits and disadvantages of various student loan discount programs and how those benefits and disadvantages should be disclosed to borrowers; and

G. Whether tax-exempt bond proceeds can be used to fund student loans by private lenders and, if so, what the





advantages and disadvantages would be, and how to implement such a program.

5. **Report.** No later than January 14, 2000, the commission shall submit a report of its findings, together with any necessary implementing legislation, to the Joint Standing Committee on Business and Economic Development. The report must include recommendations with respect to the required use of the state-designated guarantee agency for student loans and the continuation of the Loans to Lenders Pilot Program. The Joint Standing Committee on Business and Economic Development may report out any legislation during the Second Regular Session of the 119th Legislature concerning the findings and recommendations of the commission.

6. **Funding.** The costs of the commission's activities, not to exceed \$50,000, must be borne equally by the Maine Educational Loan Authority and the Finance Authority of Maine. Within 45 days of its first meeting, the commission shall prepare a budget and work plan and provide them to the Executive Director of the Legislative Council. The commission shall administer the commission's budget and shall include an accounting of its funding and expenditures as part of its report.

7. **Staffing.** The commission may contract with a consultant or expert to provide primary staff support. The Commissioner of Professional and Financial Regulation, the Commissioner of Education, the Executive Director of the Maine Educational Loan Authority, and the Chief Executive Officer of the Finance Authority of Maine shall be available to provide technical assistance to the commission.

8. **Compensation.** Public members not otherwise compensated by their employers or other entities whom they represent are entitled to receive reimbursement of necessary expenses and a per diem equal to the legislative per diem for their attendance at authorized meetings of the commission.

9. **Commission meetings.** Meetings of the commission are public proceedings and records of the commission are public records as defined in the laws governing freedom of access, Maine Revised Statutes, Title 1, chapter 13.

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.



Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

1999

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 1999 calendar year, OR tax year period beginning, 1999, and ending

B Check if: Change of address, Initial return, Final return, Amended return. C Name of organization: Maine Educational Loan Marketing Corp. D Employer identification number: 01-0390854. E Telephone number: (207) 791-3600. F Check if exemption application is pending.

G Type of organization: Exempt under section 501(c)(3) (insert number 3) OR section 4947(a)(1) nonexempt charitable trust. Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No. I If either box in H is checked "Yes," enter four-digit group exemption number (GEN). J Accounting method: Cash Accrual. (c) Is this a separate return filed by an organization covered by a group ruling? Yes No.

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 15.)

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 19.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	7,844		7,844	
26	Other salaries and wages				
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies				
34	Telephone				
35	Postage and shipping				
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel	19	19		
40	Conferences, conventions, and meetings				
41	Interest	21,731,272	21,731,272		
42	Depreciation, depletion, etc. (attach schedule)	902,492	902,492		
43	Other expenses (itemize): a See Statement 1	9,371,325	8,584,788	786,537	
b					
c					
d					
e					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	32,012,952	31,218,571	794,381	

Reporting of Joint Costs. — Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_; (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 22.)

What is the organization's primary exempt purpose? <u>See Statement 2</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a <u>To acquire guaranteed educational loans from participating lenders primarily using funds acquired through the issuance of long-term bonds payable.</u> (Grants and allocations \$ <u>N/A</u> )	31,218,571
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	31,218,571

**Part IV Balance Sheets** (See Specific Instructions on page 22.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
45	Cash — non-interest-bearing	164,791	45	115,364
46	Savings and temporary cash investments	4,525,618	46	23,925,644
47a	Accounts receivable			
	b Less: allowance for doubtful accounts		47c	
48a	Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule) <i>See Statement 3</i>	390,425,314		390,080,314
	b Less: allowance for doubtful accounts	345,000	51c	
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	560,029	53	178,871
54	Investments — securities (attach schedule) <i>See Statement 4</i>	85,207,212	54	103,744,604
55a	Investments — land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)		55c	
56	Investments — other (attach schedule)		56	
57a	Land, buildings, and equipment: basis	4,364		
	b Less: accumulated depreciation (attach schedule) <i>See Statement 10</i>	73	57c	4,291
58	Other assets (describe <i>See Statement 5</i> )	9,368,944	58	11,724,189
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	448,905,278	59	529,773,277
60	Accounts payable and accrued expenses	8,442,772	60	8,770,394
61	Grants payable		61	
62	Deferred revenue		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
65	Other liabilities (describe <i>See Statement 6</i> )	425,950,466	65	501,646,609
66	<b>Total liabilities</b> (add lines 60 through 65)	434,393,238	66	510,417,003
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted	14,512,040	67	19,356,274
68	Temporarily restricted		68	
69	Permanently restricted		69	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
70	Capital stock, trust principal, or current funds		70	
71	Paid-in or capital surplus, or land, building, and equipment fund		71	
72	Retained earnings, endowment, accumulated income, or other funds		72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	14,512,040	73	19,356,274
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	448,905,278	74	529,773,277

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 24.)

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

Table with 5 columns: Description, a, b, c, d, e. Row a: Total revenue, gains, and other support per audited financial statements... 35,902,188. Row b: Amounts included on line a but not on line 12, Form 990: (1) Net unrealized gains on investments... (2) Donated services and use of facilities... (3) Recoveries of prior year grants... (4) Other (specify): Add amounts on lines (1) through (4). Row c: Line a minus line b... 35,902,188. Row d: Amounts included on line 12, Form 990 but not on line a: (1) Investment expenses not included on line 6b, Form 990... \$ 954,998 (2) Other (specify): Add amounts on lines (1) and (2). Row e: Total revenue per line 12, Form 990 (line c plus line d)... 36,857,186.

Table with 5 columns: Description, a, b, c, d, e. Row a: Total expenses and losses per audited financial statements... 31,057,954. Row b: Amounts included on line a but not on line 17, Form 990: (1) Donated services and use of facilities... (2) Prior year adjustments reported on line 20, Form 990... (3) Losses reported on line 20, Form 990... (4) Other (specify): Add amounts on lines (1) through (4). Row c: Line a minus line b... 31,057,954. Row d: Amounts included on line 17, Form 990 but not on line a: (1) Investment expenses not included on line 6b, Form 990... \$ 954,998 (2) Other (specify): Add amounts on lines (1) and (2). Row e: Total expenses per line 17, Form 990 (line c plus line d)... 32,012,952.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 24.)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week devoted to position, (C) Compensation (If not paid, enter -0-), (D) Contributions to employee benefit plans & deferred compensation, (E) Expense account and other allowances. Row 1: See Statement 7. Subsequent rows are empty.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule — see Specific Instructions on page 25. [ ] Yes [X] No

Part VI Other Information (See Specific Instructions on page 25.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . .	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	80a	X
b	If "Yes," enter the name of the organization <u>See Statement 8</u> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81 . . . . . <u>81a</u> N/A		
b	Did the organization file Form 1120-POL for this year? . . . . .	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.) . . . . . <u>82b</u> N/A		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . . N/A	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . . N/A	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . . N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? . . . . . N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . . N/A	85b	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members . . . . . <u>85c</u> N/A		
d	Section 162(e) lobbying and political expenditures . . . . . <u>85d</u> N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . . <u>85e</u> N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . . <u>85f</u> N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? . . . . . N/A <u>85g</u>		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . . N/A <u>85h</u>		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 <u>86a</u> N/A		
b	Gross receipts, included on line 12, for public use of club facilities . . . . . <u>86b</u> N/A		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders . . . . . <u>87a</u> N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <u>87b</u> N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. . . . . <u>N/A</u>		
d	Enter: Amount of tax in 89c, above, reimbursed by the organization . . . . . <u>N/A</u>		
90a	List the states with which a copy of this return is filed <u>Maine</u>		
b	Number of employees employed in the pay period that includes March 12, 1999 (See Inst.) . . . . . <u>90b</u> 0		
91	The books are in care of <u>Roland Lozeau</u> Telephone no. <u>(207) 791-3600</u> Located at <u>One City Center, 11th Floor, Portland, ME</u> ZIP + 4 <u>04101</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 — Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year . . . . . <u>92</u> N/A		



**Part VII** Analysis of Income-Producing Activities (See Specific Instructions on page 29.)

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Govt. Subsidy Interest					10,076,579
b Educational Loan Interest					19,404,514
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	7,345,022	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Miscellaneous			01	31,071	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				7,376,093	29,481,093
105 Total (add line 104, columns (B), (D), and (E))					36,857,186

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII** Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 30.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Interest income on educational loans, which allowed operations to continue.
93b	

**Part IX** Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 30.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction U, on page 14.)

Signature of officer: Wendy Ault Date: 11/13/2000 Wendy Ault, President  
Type or print name and title.

Paid Preparer's Use Only

Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check if self-employed

Firm's name (or yours if self-employed) and address: \_\_\_\_\_ EIN: \_\_\_\_\_ ZIP + 4: \_\_\_\_\_

Preparer's SSN or PTIN: \_\_\_\_\_

SCHEDULE A  
(Form 990)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

1999

Supplementary Information — (See separate instructions.)

Department of the Treasury  
Internal Revenue Service

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization: Maine Educational Loan Marketing Corporation Employer identification number: 01-0390854

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 1 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Salomon Smith Barney New York, New York	Bond Underwriters	600,750
Kutak Rock Denver, Colorado	Bond Counsel	251,698
Woodbury Morse Portland, Maine	Graphics Design	122,157
Total number of others receiving over \$50,000 for professional services	0	

**Part III** Statements About Activities

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? . . . . .  
 If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ 396,839  
 Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.
- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:
- a Sale, exchange, or leasing of property? . . . . .
  - b Lending of money or other extension of credit? . . . . .
  - c Furnishing of goods, services, or facilities? . . . . .
  - d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . See statement 7 . . . . .
  - e Transfer of any part of its income or assets? . . . . .  
 If the answer to any question is "Yes," attach a detailed statement explaining the transactions.
- 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? . . . . .
- 4a Do you have a section 403(b) annuity plan for your employees? . . . . .
- b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)

	Yes	No
1	X	
2a		X
2b		X
2c		X
2d	X	
2e		X
3		X
4a		X

**Part IV** Reason for Non-Private Foundation Status (See pages 2 through 4 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 4.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions — subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 4 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above
State of Maine Bonds	8

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 4 of the instructions.)

**Part V-A**

**Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . . . . . ▶	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .					
16 Membership fees received . . . . .					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose . . . . .					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .					
19 Net income from unrelated business activities not included in line 18 . . . . .					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf . . . . .					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge . . . . .					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets . . . . .					
23 Total of lines 15 through 22 . . . . .					
24 Line 23 minus line 17 . . . . .					
25 Enter 1% of line 23 . . . . .					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 . . . . . ▶					26a N/A
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1995 through 1998 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts . . . . . ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . . ▶					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ . . . . . ▶					26d
e Public support (line 26c minus line 26d total) . . . . . ▶					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . . ▶					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1998) _____ (1997) _____ (1996) _____ (1995) _____ b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (1998) _____ (1997) _____ (1996) _____ (1995) _____ c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ . . . . . ▶					27c
d Add: Line 27a total . . . . . and line 27b total . . . . . ▶					27d
e Public support (line 27c total minus line 27d total) . . . . . ▶					27e
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) . . . . . ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . . ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . . ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1995 through 1998, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 4 of the instructions.)					

**Part V**

**Private School Questionnaire (See page 4 of the instructions.)**  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? .....		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
_____		
_____		
_____		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff? .....		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....		
d Copies of all material used by the organization or on its behalf to solicit contributions? .....		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
_____		
_____		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges? .....		
b Admissions policies? .....		
c Employment of faculty or administrative staff? .....		
d Scholarships or other financial assistance? .....		
e Educational policies? .....		
f Use of facilities? .....		
g Athletic programs? .....		
h Other extracurricular activities? .....		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
_____		
_____		
34a Does the organization receive any financial aid or assistance from a governmental agency? .....		
b Has the organization's right to such aid ever been revoked or suspended? .....		
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
_____		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation .....		

**Part VI-A** Lobbying Expenditures by Electing Public Charities (See page 6 of the instructions.)  
(To be completed ONLY by an eligible organization that filed Form 5768)

- Check here  a  if the organization belongs to an affiliated group.  
Check here  b  if you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) .....	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) .....	37	
38	Total lobbying expenditures (add lines 36 and 37) .....	38	
39	Other exempt purpose expenditures .....	39	
40	Total exempt purpose expenditures (add lines 38 and 39) .....	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —                      The lobbying nontaxable amount is —		
	Not over \$500,000 ..... 20% of the amount on line 40 .....		
	Over \$500,000 but not over \$1,000,000 ..... \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 ..... \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000 .... \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 ..... \$1,000,000 .....		
42	Grassroots nontaxable amount (enter 25% of line 41) .....	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.  
See the instructions for lines 45 through 50 on page 7 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
45	Lobbying nontaxable amount .....				
46	Lobbying ceiling amount (150% of line 45(e)) .....				
47	Total lobbying expenditures .....				
48	Grassroots nontaxable amount .....				
49	Grassroots ceiling amount (150% of line 48(e)) .....				
50	Grassroots lobbying expenditures .....				

**Part VI-B** Lobbying Activity by Nonelecting Public Charities  
(For reporting only by organizations that did not complete Part VI-A) (See page 8 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers .....		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.) .....		X	
c Media advertisements .....	X		316,797
d Mailings to members, legislators, or the public .....	X		6,078
e Publications, or published or broadcast statements .....		X	
f Grants to other organizations for lobbying purposes .....		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body .....	X		73,964
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....		X	
i Total lobbying expenditures (add lines c through h.) .....			396,839

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 9

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 8 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Table with 3 columns: Question, Yes, No. Rows include: a Transfers from the reporting organization to a noncharitable exempt organization of: (i) Cash, (ii) Other assets; b Other transactions: (i) Sales or exchanges of assets, (ii) Purchases of assets, (iii) Rental of facilities, (iv) Reimbursement arrangements, (v) Loans or loan guarantees, (vi) Performance of services; c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 4 columns: (a) Line no., (b) Amount Involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [X] Yes [ ] No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1: Maine Educational Loan Authority, State Authority, Loan Servicing Agreement.



STATE REPRESENTATIVE

John F. McDonough

STATE HOUSE

AUGUSTA 04333-0002

287-1400

4/25/01

Bomb Threat Committee  
Members —

F Y I,

a little is a  
lot better than  
nothing. This is  
a start!

Thanks for all your  
help.

Best Regards,

John

6B Portland Press Herald, Wednesday, /

## BRIEFLY

### Bomb threats lead to bill requiring policies in schools

AUGUSTA — A year after bomb threats were reported at schools in 14 of Maine's 16 counties, the Legislature is taking action to help schools respond to those kinds of incidents.

With no debate, the House of Representatives on Tuesday overwhelmingly approved a bill requiring Maine school boards to adopt bomb threat policies based on guidelines developed by the state in consultation with representatives of school districts.

Schools would also have to report bomb threats they receive to the state. If the bill becomes law, school handbooks will have to include bomb threat policies.

Costs to districts are expected to be minor.

The bill, which received final passage 113-14 in the House, was sent to the Senate for a final vote. The bill was the result of a legislative study launched in the wake of a string of bomb threats across the state.

Nearly 200 bomb threats were received by Maine schools during the school year that ended last June. Most went to high schools, but some also affected middle schools, elementary schools and colleges.



