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An Act To Further Facilitate the Provision of Educational Loans for Maine Students and Families

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

Whereas, there has been unprecedented turbulence in the capital markets that has made it necessary to replace existing auction rate bond financing for federally guaranteed student loans with financing supported by a capital reserve fund; and

Whereas, if financing supported by a capital reserve fund cannot be made available, the availability, rates and terms of federally guaranteed student loans to Maine borrowers may be adversely affected, resulting in increased costs to students and families or even unavailability of federally guaranteed student loans; 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. 20-A MRSA §11496-A, sub-§1, as enacted by PL 2007, c. 665, §1, is amended to read:

1. Capital reserve fund. The authority may create and establish one or more capital reserve funds and may pay into any capital reserve fund any money appropriated and made available by the State for the purposes of any such fund, any proceeds of the sale by the authority of bonds to the extent determined by the authority and any other money available to the authority. The authority may not create or establish any capital reserve fund under this subsection after June 30, ~~2009~~2010.

Sec. 2. 20-A MRSA §11496-A, sub-§3, ¶A, as enacted by PL 2007, c. 665, §1, is amended to read:

A. The amount stated in the applicable trust agreement or other document used to establish the capital reserve fund, with respect to any capital reserve fund established before June 30, ~~2009~~2010; or

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

SUMMARY

This bill extends the date after which the Finance Authority of Maine may not create or establish any capital reserve fund for the provision of educational loans for Maine students and families from June 30, 2009 to June 30, 2010.