

Act No. 547
Public Acts of 2002
Approved by the Governor
July 25, 2002
Filed with the Secretary of State
July 26, 2002
EFFECTIVE DATE: July 26, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Byrum

ENROLLED SENATE BILL No. 1175

AN ACT to amend 1975 PA 222, entitled "An act to establish the Michigan higher education student loan authority for the purpose of providing loans to eligible students and to parents of students; to prescribe its powers and duties; to authorize the authority to borrow money and issue bonds which are subject to or exempt from federal income taxation and to provide for the disposition of those funds; to exempt the bonds from taxation; to authorize the authority to acquire loans made to eligible students or to parents of students; and to authorize persons, corporations, and associations to make gifts to the authority," by amending section 5 (MCL 390.1155), as amended by 1984 PA 259.

The People of the State of Michigan enact:

Sec. 5. (1) The authority may issue its bonds in the principal amounts necessary to provide funds for achieving its purposes under this act including the payment of interest on bonds of the authority, the establishment of reserves to secure the bonds, and other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The authority may issue refunding bonds when it considers refunding expedient, whether the bonds to be refunded have or have not matured. The proceeds of the refunding bonds shall be applied to the purchase, redemption, or payment of the bonds refunded. Except as otherwise expressly provided in a resolution authorizing bonds, an issue of bonds shall be a general obligation of the authority to be satisfied out of revenues or money or other property of the authority, subject to an agreement with the holders of particular receipts, revenues, or other property of the authority that has been pledged or mortgaged.

(2) Bonds issued by the authority are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The authority shall authorize its bonds by resolution. The bonds shall bear interest at a rate or rates, which are fixed for the term of the bonds or which are calculated upon a formula to vary; be in the denominations; be in a form approved by the authority; carry registration privileges; be executed in a manner; be payable in a medium of payment; and at a place or places; be subject to terms of redemption; and be subject to any other terms and conditions as the resolution or resolutions may provide. The bonds authorized under this section may be sold by the authority at public or private sale at a price determined by the authority. If the bonds are:

(a) Serial bonds or term bonds, or both, the bonds shall bear a date, and, if serial bonds, shall be payable either semiannually or annually, and shall mature at a time or times, not exceeding 40 years after the date of issue, as provided in the resolution.

(b) Term loans, commercial paper, or other evidences of indebtedness, the bonds shall bear a date or dates; and shall mature at a time or times not exceeding 30 years after the date of issue, as the resolution or resolutions shall provide.

(4) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

(5) For the purpose of more effectively managing its debt service, the authority may enter into an interest rate exchange or swap, hedge, or similar agreement with respect to its bonds or notes on the terms and payable from the sources and with the security, if any, as determined by a resolution of the authority.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

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Governor.