

EMERGENCY MUNICIPAL LOAN ACT (EXCERPT)
Act 243 of 1980

141.936a State treasurer selling or transferring loan; security; interest rate; terms; notice.

Sec. 6a. (1) The state treasurer may sell or transfer a loan under this act and enter into an agreement related to the sale or transfer of the loan. The state treasurer also may assign to the purchaser or transferee of a loan under this act all security pledged for the loan by a municipality. A loan sold or transferred under this section shall be secured in the same manner as a loan under this act not sold or transferred, including, but not limited to, benefiting from the security provided by section 6(4).

(2) The state treasurer may enter into an agreement with the purchaser or transferee of a loan under this act to repurchase the loan at a price and time or upon the occurrence of an event provided in the agreement.

(3) Except as otherwise provided in this subsection, at the time a loan is sold or transferred under this section, the state treasurer may set the interest rate, or method of determining the interest rate, on the loan being sold or transferred, including, but not limited to, a loan made before the effective date of the amendatory act that added this section, at a rate the state treasurer determines necessary and advisable to accomplish the sale or transfer. A rate determined by the state treasurer shall not exceed the maximum rate otherwise authorized by law.

(4) When a loan is sold or transferred under this section, the state treasurer may make changes to the terms of the loan, including a loan made before the effective date of the amendatory act that added this section, as the state treasurer determines necessary and advisable to permit a purchaser or transferee to sell obligations secured by the loans as tax-exempt under federal law, including, but not limited to, modifying redemption provisions, principal amortization, and interest and principal payment dates of the loan. The state treasurer also may require a municipality to make certain covenants the state treasurer determines necessary or advisable relating to the tax-exempt status of the obligations of a purchaser or transferee.

(5) At any time, the state treasurer may require a municipality to enter into an agreement with a purchaser or transferee of a loan regarding continuing disclosure obligations under federal law or any other matters the state treasurer determines are necessary and advisable. The state treasurer may require entry into an agreement with a recipient of a loan issued before the effective date of the amendatory act that added this section.

(6) If a loan is sold or transferred under this section, the state treasurer shall notify all of the following that the loan was sold or transferred:

- (a) Governor.
- (b) Senate majority leader.
- (c) Senate minority leader.
- (d) Speaker of the house of representatives.
- (e) House minority leader.
- (f) Senate fiscal agency.
- (g) House fiscal agency.

History: Add. 2012, Act 284, Imd. Eff. Aug. 1, 2012.