

MICHIGAN STRATEGIC FUND ACT (EXCERPT)
Act 270 of 1984

CHAPTER 5

125.2051 Center for loan insurance; establishment and operation.

Sec. 51. The fund shall establish and operate a center for loan insurance.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Compiler's note: For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

Popular name: Strategic Fund

125.2052 Loan insurance account; payments into accounts; transfer of money.

Sec. 52. (1) The center for loan insurance shall be funded by an account, which shall be established and managed by the fund, to be known as the loan insurance account.

(2) The fund shall pay into the account any money appropriated or otherwise provided by this state for the purposes of the center; any money determined by the fund to be paid into the account from the economic development fund to which the fund succeeded in ownership pursuant to section 22; any money which the fund receives as fees or premiums for its provision of loan, lease, or debenture insurance; loan, lease, or debenture guarantees; or letters of credit; and any other money made available to the fund for the purposes of the center from any other source, public or private.

(3) Money in the loan insurance account may be transferred into any other account established by the fund, unless the fund is otherwise obligated to retain the money in the loan insurance account or except if the money was appropriated by this state for the purposes of the center.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2053 Powers of fund through center for loan insurance.

Sec. 53. (1) The fund, through the center for loan insurance, may insure, guarantee, or issue letters of credit for all or a part of a loan or debenture of others, public or private.

(2) The fund, through the center for loan insurance, may insure, guarantee, or issue letters of credit for all or a part of a lease entered into by others, public or private.

(3) The fund, through the center for loan insurance, may procure insurance, a guarantee, or a letter of credit from any source for all or a part of a loan, debenture, or lease of others, public or private. The fund may procure insurance, a guarantee, or a letter of credit for either a single loan, debenture, or lease or for any combination of loans, debentures, or leases.

(4) The fund, through the center for loan insurance, may insure, guarantee, or issue letters of credit for all or a part of a revenue bond issued by the fund, another creature of the state, or by another entity or authority authorized by law to issue revenue bonds.

(5) The fund may procure insurance, a guarantee, or a letter of credit for all or a part of a revenue bond issue of the fund, another creature of the state, or by another entity or authority authorized by law to issue revenue bonds. The fund may procure insurance, a guarantee, or a letter of credit for either all or part of a single revenue bond issue or for all or a part of any combination of revenue bond issues.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2054 Contract of insurance.

Sec. 54. To provide loan insurance pursuant to section 53, the fund may enter into a contract of insurance. The insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, shall not apply to such an insurance contract and the fund shall not be considered an insurer subject to the insurance code of 1956, Act No. 218 of the Public Acts of 1956, by virtue of entering into such a contract.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2055 Insurance, guarantees, or letters of credit; limitation; paramount priority.

Sec. 55. (1) Insurance, guarantees, or letters of credit provided or procured pursuant to section 53 shall be provided or procured only for economic development projects within this state which otherwise are consistent

with the purposes and objectives of the fund and this chapter, including the requirements of section 12.

(2) The fund shall give paramount priority in providing or procuring insurance, guarantees, and letters of credit to economic development projects which have the greatest potential for creating new jobs or retaining current jobs within this state.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2056 Insurance, guarantees, or letters of credit; legal assurance of use; terms and conditions; premiums or fees; guidelines.

Sec. 56. (1) Insurance, guarantees, or letters of credit shall not be provided or procured pursuant to section 53 unless the fund is legally assured that the loans, debentures, or leases insured, or guaranteed, or for which letters of credit are issued, will be used to assist economic development projects which also have significant private sector financial support.

(2) Insurance, guarantees, or letters of credit may be provided or procured on such terms and conditions as the fund, in its sole discretion, shall determine to be reasonable, appropriate, and consistent with the purposes and objectives of the fund and this act.

(3) The fund may charge the lender or the borrower, or both, a fee or premium for loan, debenture, or lease insurance, guarantee, or a letter of credit. Guidelines for premiums or fees charged by the fund for loan, debenture, or lease insurance guarantees, or letters of credit shall be established by the fund.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2057 Agreements with lenders.

Sec. 57. The fund may enter into agreements with lenders for participation in the center for loan insurance. The agreements may include, but need not be limited to:

(a) Authorization for the lender to determine, collect, and transmit to the fund a fee or premium charge within a specified range established consistent with the purposes and objectives of the fund.

(b) Specification of whether the premium charge shall be paid by the lender, the borrower, the fund, or by a combination thereof in specified proportions.

(c) The procedure by which a lender may make a claim upon the fund upon default by the borrower and the conditions under which a claim may be made.

(d) The maximum amount of claims a lender may make upon the fund, which amount may be equal to, greater than, or less than the proportion of the total premiums collected by the fund which is accounted for by premiums collected by the lender.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2058 Special fund; purpose.

Sec. 58. The fund may establish a special fund or funds solely to secure some or all of its obligations within the center for loan insurance into which fees or premiums collected by the fund for loan, debenture, or lease insurance, guarantees, or letters of credit may be deposited.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund