HOSPITAL FINANCE AUTHORITY ACT (EXCERPT)
Act 38 of 1969

331.43 Hospital loan from state authority; purpose; requirements; security; appointment of receiver; limitation on loan; repayment; interest.

Sec. 13. The state authority may lend money to hospitals for the acquisition, construction, improvement, or alteration of hospital facilities. A hospital loan shall not be made unless the state authority is reasonably satisfied that there will be made available to the hospital from the hospital loan and other sources all the funds necessary to pay all project costs; that the hospital facility and other revenues pledged will produce sufficient revenues to meet the principal and interest on the hospital loan, other costs, expenses, and charges in connection with the loan and other charges or obligations of the hospital which may be prior or equal to the loan promptly as they become due; and that the hospital is otherwise soundly financed. The hospital loan may be secured by a mortgage of property of the hospital including the hospital facility and may provide for the appointment of a receiver to operate the hospital facilities in case of default. A hospital loan made pursuant to this section shall not exceed the project costs as determined by the state authority. A loan shall be secured in a manner, be repaid in a period not exceeding 50 years, and bear interest at a rate, as determined by the authority, which rate may be decreased or increased so that it is not less than the rate paid by the authority on notes, renewal notes, or bonds issued to fund the loan.

History: 1969, Act 38, Imd. Eff. July 14, 1969;—Am. 1970, Act 142, Imd. Eff. Aug. 1, 1970;—Am. 1978, Act 277, Imd. Eff. July 3, 1978.