

HIGHER EDUCATION FACILITIES AUTHORITY ACT (EXCERPT)
Act 295 of 1969

390.926 Bonds.

Sec. 6.

(1) The authority may issue its bonds in the principal amount it considers necessary to provide funds for achieving its purposes under this act, including the making of educational loans, the payment of interest on bonds of the authority during construction, the establishment of reserves to secure the bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The authority may issue refunding bonds whenever 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 may otherwise be expressly provided in the resolution authorizing the bonds, every issue of bonds shall be general obligations of the authority to be satisfied out of any revenues or money or other property of the authority, subject to an agreement with the holders of particular bonds in support of which particular receipts, revenues, security for educational loans, or other property of the authority has been pledged or mortgaged.

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

(3) The bonds of the authority shall be authorized by resolution of its members, shall be serial or term bonds, or a combination of serial and term bonds, shall bear the date, and shall mature at the time or times, not exceeding 30 years from date of issue, as the resolution may provide. The bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon, registered, or both, carry the registration privileges, be executed in the manner, be payable in the medium of payment at the place or places, and be subject to the terms of redemption as the resolution or resolutions may provide. The bonds of the authority may be sold by the authority, at public or private sale, at the price or prices as the authority determines.

(4) A pledge made by the authority in connection with the issuance of bonds shall be valid and binding from the time the pledge is made. The money or property pledged and subsequently received by the authority shall immediately be subject to the lien of the pledge without a physical delivery or further act. The lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether those parties have notice of the lien. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

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

(6) 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.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969 ;-- Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975 ;-- Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982 ;-- Am. 2002, Act 546, Imd. Eff. July 26, 2002