

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Higher Education Student Assistance Act is amended by adding Section 152 as follows:

(110 ILCS 947/152 new)

Sec. 152. Bonds guaranteed by the State of Illinois. Notwithstanding any other provision of this Act, bonds issued in accordance with the provisions of this Act may be designated by the Commission as guaranteed by the State of Illinois, and any bonds so designated shall so state on the face thereof. This guarantee shall constitute a general obligation of the State of Illinois, and the full faith, credit, and resources of the State of Illinois are hereby irrevocably pledged for the punctual payment of the principal of, interest on, and premium, if any, on any such bond as the same shall become due, whether at maturity or upon any earlier redemption date. The provisions of this Section shall be irrepealable until all such bonds are paid in full as to both principal and interest. Any bonds designated pursuant to this Section shall be issued by the Commission on or prior to December 31, 2009 and shall be limited in aggregate principal issuance amount to not greater than \$50,000,000.

Any bonds designated pursuant to this Section shall mature at such time or times not exceeding 5 years from the date thereof and must be issued with a debt service reserve equal to at least 4% of the principal amount of the bonds, of which 75% of such reserve shall be funded from the proceeds of the bonds, and 25% of such reserve shall be funded by the Commission and not out of proceeds of the bonds. Proceeds of any bonds designated pursuant to this Section may be used only in connection with the rehabilitation loan program, to fund a debt service reserve as herein described, and for costs of issuance of the bonds.

Upon written notice to the Governor from the Chairperson of the Commission that the Commission has determined that amounts pledged pursuant to Section 150 of this Act to pay the bonds will not be sufficient for the payment of amounts due with respect to the bonds during the next State of Illinois fiscal year, the Governor shall include an appropriation in the State of Illinois budget for the next fiscal year with respect to the bonds. The appropriation shall be for such amount as determined by the Commission. Amounts included in the appropriation for the payment of interest on variable rate bonds may, at the determination of the Commission, be up to the maximum amount of interest that may be payable for the period covered by the budget; provided that any amounts appropriated for interest on variable rate bonds in excess of amounts necessary to pay the interest shall promptly be reimbursed by the Commission to the

State of Illinois.

If for any reason the General Assembly fails to make appropriations sufficient to pay the principal of, interest on, and premium, if any, on the bonds, as the same by their terms shall become due, this Section shall constitute an irrevocable and continuing appropriation of all amounts necessary for that purpose and the irrevocable and continuing authority for and direction to the State Treasurer and the State Comptroller to make the necessary transfers, as directed by the Governor, out of and disbursements from the revenues and funds of the State of Illinois.

The State of Illinois pledges and agrees that it will not limit or alter the rights and powers vested in the Commission in this Section so as to impair the terms of any such irrevocable guarantee of the State of Illinois until each such guarantee is satisfied in full or the bonds shall have otherwise been paid in full.

If the State of Illinois fails to honor any guarantee made pursuant to this Section, a civil action to compel payment may be instituted in the Supreme Court of Illinois as a court of original jurisdiction by any holder or holders of the bonds to which such failure relates. Delivery of a summons and a copy of the complaint to the Attorney General shall constitute sufficient service to give the Supreme Court of Illinois jurisdiction of the subject matter of such a suit and jurisdiction over the State of Illinois and its officers named

as defendants for the purpose of compelling such payment. Any case, controversy, or cause of action concerning the validity of this Section relates to the revenue of the State of Illinois.

If the Supreme Court of Illinois denies any holder or holders of bonds leave to file an original action in the Supreme Court, the holder or holders may bring such action in the Circuit Court of Sangamon County.

Section 99. Effective date. This Act takes effect upon becoming law.