

1 AN ACT concerning finance.

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

4 Section 5. The Illinois Finance Authority Act is amended by  
5 changing Sections 801-10, 830-25, and 830-35 as follows:

6 (20 ILCS 3501/801-10)

7 Sec. 801-10. Definitions. The following terms, whenever  
8 used or referred to in this Act, shall have the following  
9 meanings, except in such instances where the context may  
10 clearly indicate otherwise:

11 (a) The term "Authority" means the Illinois Finance  
12 Authority created by this Act.

13 (b) The term "project" means an industrial project, housing  
14 project, public purpose project, higher education project,  
15 health facility project, cultural institution project,  
16 agricultural facility or agribusiness, and "project" may  
17 include any combination of one or more of the foregoing  
18 undertaken jointly by any person with one or more other  
19 persons.

20 (c) The term "public purpose project" means any project or  
21 facility including without limitation land, buildings,  
22 structures, machinery, equipment and all other real and  
23 personal property, which is authorized or required by law to be

1 acquired, constructed, improved, rehabilitated, reconstructed,  
2 replaced or maintained by any unit of government or any other  
3 lawful public purpose which is authorized or required by law to  
4 be undertaken by any unit of government.

5 (d) The term "industrial project" means the acquisition,  
6 construction, refurbishment, creation, development or  
7 redevelopment of any facility, equipment, machinery, real  
8 property or personal property for use by any instrumentality of  
9 the State or its political subdivisions, for use by any person  
10 or institution, public or private, for profit or not for  
11 profit, or for use in any trade or business including, but not  
12 limited to, any industrial, manufacturing or commercial  
13 enterprise and which is (1) a capital project including but not  
14 limited to: (i) land and any rights therein, one or more  
15 buildings, structures or other improvements, machinery and  
16 equipment, whether now existing or hereafter acquired, and  
17 whether or not located on the same site or sites; (ii) all  
18 appurtenances and facilities incidental to the foregoing,  
19 including, but not limited to utilities, access roads, railroad  
20 sidings, track, docking and similar facilities, parking  
21 facilities, dockage, wharfage, railroad roadbed, track,  
22 trestle, depot, terminal, switching and signaling or related  
23 equipment, site preparation and landscaping; and (iii) all  
24 non-capital costs and expenses relating thereto or (2) any  
25 addition to, renovation, rehabilitation or improvement of a  
26 capital project or (3) any activity or undertaking which the

1 Authority determines will aid, assist or encourage economic  
2 growth, development or redevelopment within the State or any  
3 area thereof, will promote the expansion, retention or  
4 diversification of employment opportunities within the State  
5 or any area thereof or will aid in stabilizing or developing  
6 any industry or economic sector of the State economy. The term  
7 "industrial project" also means the production of motion  
8 pictures.

9 (e) The term "bond" or "bonds" shall include bonds, notes  
10 (including bond, grant or revenue anticipation notes),  
11 certificates and/or other evidences of indebtedness  
12 representing an obligation to pay money, including refunding  
13 bonds.

14 (f) The terms "lease agreement" and "loan agreement" shall  
15 mean: (i) an agreement whereby a project acquired by the  
16 Authority by purchase, gift or lease is leased to any person,  
17 corporation or unit of local government which will use or cause  
18 the project to be used as a project as heretofore defined upon  
19 terms providing for lease rental payments at least sufficient  
20 to pay when due all principal of, interest and premium, if any,  
21 on any bonds of the Authority issued with respect to such  
22 project, providing for the maintenance, insuring and operation  
23 of the project on terms satisfactory to the Authority,  
24 providing for disposition of the project upon termination of  
25 the lease term, including purchase options or abandonment of  
26 the premises, and such other terms as may be deemed desirable

1 by the Authority, or (ii) any agreement pursuant to which the  
2 Authority agrees to loan the proceeds of its bonds issued with  
3 respect to a project or other funds of the Authority to any  
4 person which will use or cause the project to be used as a  
5 project as heretofore defined upon terms providing for loan  
6 repayment installments at least sufficient to pay when due all  
7 principal of, interest and premium, if any, on any bonds of the  
8 Authority, if any, issued with respect to the project, and  
9 providing for maintenance, insurance and other matters as may  
10 be deemed desirable by the Authority.

11 (g) The term "financial aid" means the expenditure of  
12 Authority funds or funds provided by the Authority through the  
13 issuance of its bonds, notes or other evidences of indebtedness  
14 or from other sources for the development, construction,  
15 acquisition or improvement of a project.

16 (h) The term "person" means an individual, corporation,  
17 unit of government, business trust, estate, trust, partnership  
18 or association, 2 or more persons having a joint or common  
19 interest, or any other legal entity.

20 (i) The term "unit of government" means the federal  
21 government, the State or unit of local government, a school  
22 district, or any agency or instrumentality, office, officer,  
23 department, division, bureau, commission, college or  
24 university thereof.

25 (j) The term "health facility" means: (a) any public or  
26 private institution, place, building, or agency required to be

1 licensed under the Hospital Licensing Act; (b) any public or  
2 private institution, place, building, or agency required to be  
3 licensed under the Nursing Home Care Act; (c) any public or  
4 licensed private hospital as defined in the Mental Health and  
5 Developmental Disabilities Code; (d) any such facility  
6 exempted from such licensure when the Director of Public Health  
7 attests that such exempted facility meets the statutory  
8 definition of a facility subject to licensure; (e) any other  
9 public or private health service institution, place, building,  
10 or agency which the Director of Public Health attests is  
11 subject to certification by the Secretary, U.S. Department of  
12 Health and Human Services under the Social Security Act, as now  
13 or hereafter amended, or which the Director of Public Health  
14 attests is subject to standard-setting by a recognized public  
15 or voluntary accrediting or standard-setting agency; (f) any  
16 public or private institution, place, building or agency  
17 engaged in providing one or more supporting services to a  
18 health facility; (g) any public or private institution, place,  
19 building or agency engaged in providing training in the healing  
20 arts, including but not limited to schools of medicine,  
21 dentistry, osteopathy, optometry, podiatry, pharmacy or  
22 nursing, schools for the training of x-ray, laboratory or other  
23 health care technicians and schools for the training of  
24 para-professionals in the health care field; (h) any public or  
25 private congregate, life or extended care or elderly housing  
26 facility or any public or private home for the aged or infirm,

1 including, without limitation, any Facility as defined in the  
2 Life Care Facilities Act; (i) any public or private mental,  
3 emotional or physical rehabilitation facility or any public or  
4 private educational, counseling, or rehabilitation facility or  
5 home, for those persons with a developmental disability, those  
6 who are physically ill or disabled, the emotionally disturbed,  
7 those persons with a mental illness or persons with learning or  
8 similar disabilities or problems; (j) any public or private  
9 alcohol, drug or substance abuse diagnosis, counseling  
10 treatment or rehabilitation facility, (k) any public or private  
11 institution, place, building or agency licensed by the  
12 Department of Children and Family Services or which is not so  
13 licensed but which the Director of Children and Family Services  
14 attests provides child care, child welfare or other services of  
15 the type provided by facilities subject to such licensure; (l)  
16 any public or private adoption agency or facility; and (m) any  
17 public or private blood bank or blood center. "Health facility"  
18 also means a public or private structure or structures suitable  
19 primarily for use as a laboratory, laundry, nurses or interns  
20 residence or other housing or hotel facility used in whole or  
21 in part for staff, employees or students and their families,  
22 patients or relatives of patients admitted for treatment or  
23 care in a health facility, or persons conducting business with  
24 a health facility, physician's facility, surgicenter,  
25 administration building, research facility, maintenance,  
26 storage or utility facility and all structures or facilities

1 related to any of the foregoing or required or useful for the  
2 operation of a health facility, including parking or other  
3 facilities or other supporting service structures required or  
4 useful for the orderly conduct of such health facility.

5 (k) The term "participating health institution" means a  
6 private corporation or association or public entity of this  
7 State, authorized by the laws of this State to provide or  
8 operate a health facility as defined in this Act and which,  
9 pursuant to the provisions of this Act, undertakes the  
10 financing, construction or acquisition of a project or  
11 undertakes the refunding or refinancing of obligations, loans,  
12 indebtedness or advances as provided in this Act.

13 (l) The term "health facility project", means a specific  
14 health facility work or improvement to be financed or  
15 refinanced (including without limitation through reimbursement  
16 of prior expenditures), acquired, constructed, enlarged,  
17 remodeled, renovated, improved, furnished, or equipped, with  
18 funds provided in whole or in part hereunder, any accounts  
19 receivable, working capital, liability or insurance cost or  
20 operating expense financing or refinancing program of a health  
21 facility with or involving funds provided in whole or in part  
22 hereunder, or any combination thereof.

23 (m) The term "bond resolution" means the resolution or  
24 resolutions authorizing the issuance of, or providing terms and  
25 conditions related to, bonds issued under this Act and  
26 includes, where appropriate, any trust agreement, trust

1 indenture, indenture of mortgage or deed of trust providing  
2 terms and conditions for such bonds.

3 (n) The term "property" means any real, personal or mixed  
4 property, whether tangible or intangible, or any interest  
5 therein, including, without limitation, any real estate,  
6 leasehold interests, appurtenances, buildings, easements,  
7 equipment, furnishings, furniture, improvements, machinery,  
8 rights of way, structures, accounts, contract rights or any  
9 interest therein.

10 (o) The term "revenues" means, with respect to any project,  
11 the rents, fees, charges, interest, principal repayments,  
12 collections and other income or profit derived therefrom.

13 (p) The term "higher education project" means, in the case  
14 of a private institution of higher education, an educational  
15 facility to be acquired, constructed, enlarged, remodeled,  
16 renovated, improved, furnished, or equipped, or any  
17 combination thereof.

18 (q) The term "cultural institution project" means, in the  
19 case of a cultural institution, a cultural facility to be  
20 acquired, constructed, enlarged, remodeled, renovated,  
21 improved, furnished, or equipped, or any combination thereof.

22 (r) The term "educational facility" means any property  
23 located within the State constructed or acquired before or  
24 after the effective date of this Act, which is or will be, in  
25 whole or in part, suitable for the instruction, feeding,  
26 recreation or housing of students, the conducting of research



1 or other work of a private institution of higher education, the  
2 use by a private institution of higher education in connection  
3 with any educational, research or related or incidental  
4 activities then being or to be conducted by it, or any  
5 combination of the foregoing, including, without limitation,  
6 any such property suitable for use as or in connection with any  
7 one or more of the following: an academic facility,  
8 administrative facility, agricultural facility, assembly hall,  
9 athletic facility, auditorium, boating facility, campus,  
10 communication facility, computer facility, continuing  
11 education facility, classroom, dining hall, dormitory,  
12 exhibition hall, fire fighting facility, fire prevention  
13 facility, food service and preparation facility, gymnasium,  
14 greenhouse, health care facility, hospital, housing,  
15 instructional facility, laboratory, library, maintenance  
16 facility, medical facility, museum, offices, parking area,  
17 physical education facility, recreational facility, research  
18 facility, stadium, storage facility, student union, study  
19 facility, theatre or utility.

20 (s) The term "cultural facility" means any property located  
21 within the State constructed or acquired before or after the  
22 effective date of this Act, which is or will be, in whole or in  
23 part, suitable for the particular purposes or needs of a  
24 cultural institution, including, without limitation, any such  
25 property suitable for use as or in connection with any one or  
26 more of the following: an administrative facility, aquarium,

1 assembly hall, auditorium, botanical garden, exhibition hall,  
2 gallery, greenhouse, library, museum, scientific laboratory,  
3 theater or zoological facility, and shall also include, without  
4 limitation, books, works of art or music, animal, plant or  
5 aquatic life or other items for display, exhibition or  
6 performance. The term "cultural facility" includes buildings  
7 on the National Register of Historic Places which are owned or  
8 operated by nonprofit entities.

9 (t) "Private institution of higher education" means a  
10 not-for-profit educational institution which is not owned by  
11 the State or any political subdivision, agency,  
12 instrumentality, district or municipality thereof, which is  
13 authorized by law to provide a program of education beyond the  
14 high school level and which:

15 (1) Admits as regular students only individuals having  
16 a certificate of graduation from a high school, or the  
17 recognized equivalent of such a certificate;

18 (2) Provides an educational program for which it awards  
19 a bachelor's degree, or provides an educational program,  
20 admission into which is conditioned upon the prior  
21 attainment of a bachelor's degree or its equivalent, for  
22 which it awards a postgraduate degree, or provides not less  
23 than a 2-year program which is acceptable for full credit  
24 toward such a degree, or offers a 2-year program in  
25 engineering, mathematics, or the physical or biological  
26 sciences which is designed to prepare the student to work

1 as a technician and at a semiprofessional level in  
2 engineering, scientific, or other technological fields  
3 which require the understanding and application of basic  
4 engineering, scientific, or mathematical principles or  
5 knowledge;

6 (3) Is accredited by a nationally recognized  
7 accrediting agency or association or, if not so accredited,  
8 is an institution whose credits are accepted, on transfer,  
9 by not less than 3 institutions which are so accredited,  
10 for credit on the same basis as if transferred from an  
11 institution so accredited, and holds an unrevoked  
12 certificate of approval under the Private College Act from  
13 the Board of Higher Education, or is qualified as a "degree  
14 granting institution" under the Academic Degree Act; and

15 (4) Does not discriminate in the admission of students  
16 on the basis of race or color. "Private institution of  
17 higher education" also includes any "academic  
18 institution".

19 (u) The term "academic institution" means any  
20 not-for-profit institution which is not owned by the State or  
21 any political subdivision, agency, instrumentality, district  
22 or municipality thereof, which institution engages in, or  
23 facilitates academic, scientific, educational or professional  
24 research or learning in a field or fields of study taught at a  
25 private institution of higher education. Academic institutions  
26 include, without limitation, libraries, archives, academic,

1 scientific, educational or professional societies,  
2 institutions, associations or foundations having such  
3 purposes.

4 (v) The term "cultural institution" means any  
5 not-for-profit institution which is not owned by the State or  
6 any political subdivision, agency, instrumentality, district  
7 or municipality thereof, which institution engages in the  
8 cultural, intellectual, scientific, educational or artistic  
9 enrichment of the people of the State. Cultural institutions  
10 include, without limitation, aquaria, botanical societies,  
11 historical societies, libraries, museums, performing arts  
12 associations or societies, scientific societies and zoological  
13 societies.

14 (w) The term "affiliate" means, with respect to financing  
15 of an agricultural facility or an agribusiness, any lender, any  
16 person, firm or corporation controlled by, or under common  
17 control with, such lender, and any person, firm or corporation  
18 controlling such lender.

19 (x) The term "agricultural facility" means land, any  
20 building or other improvement thereon or thereto, and any  
21 personal properties deemed necessary or suitable for use,  
22 whether or not now in existence, in farming, ranching, the  
23 production of agricultural commodities (including, without  
24 limitation, the products of aquaculture, hydroponics and  
25 silviculture) or the treating, processing or storing of such  
26 agricultural commodities when such activities are customarily

1 engaged in by farmers as a part of farming.

2 (y) The term "lender" with respect to financing of an  
3 agricultural facility or an agribusiness, means any federal or  
4 State chartered bank, Federal Land Bank, Production Credit  
5 Association, Bank for Cooperatives, federal or State chartered  
6 savings and loan association or building and loan association,  
7 Small Business Investment Company or any other institution  
8 qualified within this State to originate and service loans,  
9 including, but without limitation to, insurance companies,  
10 credit unions and mortgage loan companies. "Lender" also means  
11 a wholly owned subsidiary of a manufacturer, seller or  
12 distributor of goods or services that makes loans to businesses  
13 or individuals, commonly known as a "captive finance company".

14 (z) The term "agribusiness" means any sole proprietorship,  
15 limited partnership, co-partnership, joint venture,  
16 corporation or cooperative which operates or will operate a  
17 facility located within the State of Illinois that is related  
18 to the processing of agricultural commodities (including,  
19 without limitation, the products of aquaculture, hydroponics  
20 and silviculture) or the manufacturing, production or  
21 construction of agricultural buildings, structures, equipment,  
22 implements, and supplies, or any other facilities or processes  
23 used in agricultural production. Agribusiness includes but is  
24 not limited to the following:

25 (1) grain handling and processing, including grain  
26 storage, drying, treatment, conditioning, mailing and

1 packaging;

2 (2) seed and feed grain development and processing;

3 (3) fruit and vegetable processing, including  
4 preparation, canning and packaging;

5 (4) processing of livestock and livestock products,  
6 dairy products, poultry and poultry products, fish or  
7 apiarian products, including slaughter, shearing,  
8 collecting, preparation, canning and packaging;

9 (5) fertilizer and agricultural chemical  
10 manufacturing, processing, application and supplying;

11 (6) farm machinery, equipment and implement  
12 manufacturing and supplying;

13 (7) manufacturing and supplying of agricultural  
14 commodity processing machinery and equipment, including  
15 machinery and equipment used in slaughter, treatment,  
16 handling, collecting, preparation, canning or packaging of  
17 agricultural commodities;

18 (8) farm building and farm structure manufacturing,  
19 construction and supplying;

20 (9) construction, manufacturing, implementation,  
21 supplying or servicing of irrigation, drainage and soil and  
22 water conservation devices or equipment;

23 (10) fuel processing and development facilities that  
24 produce fuel from one or more of the following sources: (i)  
25 agricultural commodities or byproducts; (ii) vegetable  
26 oils, including but not limited to soybean oils, or animal

1 fats; or (iii) biomass feedstocks, including but not  
2 limited to agricultural plant wastes, plant wastes from  
3 industrial processes, and energy crops grown specifically  
4 for fuel production, including but not limited to  
5 switchgrass;

6 (11) facilities and equipment for processing and  
7 packaging agricultural commodities specifically for  
8 export;

9 (12) facilities and equipment for forestry product  
10 processing and supplying, including sawmilling operations,  
11 wood chip operations, timber harvesting operations, and  
12 manufacturing of prefabricated buildings, paper, furniture  
13 or other goods from forestry products;

14 (13) facilities and equipment for research and  
15 development of products, processes and equipment for the  
16 production, processing, preparation or packaging of  
17 agricultural commodities and byproducts.

18 (z-1) The term "energy-related agribusiness" means any  
19 sole proprietorship, limited partnership, co-partnership,  
20 joint venture, corporation, or cooperative that operates or  
21 will operate a facility located within the State of Illinois  
22 that is described in clause (10) of the definition of  
23 agribusiness.

24 (aa) The term "asset" with respect to financing of any  
25 agricultural facility or any agribusiness, means, but is not  
26 limited to the following: cash crops or feed on hand; livestock

1 held for sale; breeding stock; marketable bonds and securities;  
2 securities not readily marketable; accounts receivable; notes  
3 receivable; cash invested in growing crops; net cash value of  
4 life insurance; machinery and equipment; cars and trucks; farm  
5 and other real estate including life estates and personal  
6 residence; value of beneficial interests in trusts; government  
7 payments or grants; and any other assets.

8 (bb) The term "liability" with respect to financing of any  
9 agricultural facility or any agribusiness shall include, but  
10 not be limited to the following: accounts payable; notes or  
11 other indebtedness owed to any source; taxes; rent; amounts  
12 owed on real estate contracts or real estate mortgages;  
13 judgments; accrued interest payable; and any other liability.

14 (cc) The term "Predecessor Authorities" means those  
15 authorities as described in Section 845-75.

16 (dd) The term "housing project" means a specific work or  
17 improvement undertaken to provide residential dwelling  
18 accommodations, including the acquisition, construction or  
19 rehabilitation of lands, buildings and community facilities  
20 and in connection therewith to provide nonhousing facilities  
21 which are part of the housing project, including land,  
22 buildings, improvements, equipment and all ancillary  
23 facilities for use for offices, stores, retirement homes,  
24 hotels, financial institutions, service, health care,  
25 education, recreation or research establishments, or any other  
26 commercial purpose which are or are to be related to a housing



1 development.

2 (Source: P.A. 93-205, eff. 1-1-04; 93-1101, eff. 3-31-05.)

3 (20 ILCS 3501/830-25)

4 Sec. 830-25. Bonded indebtedness limitation. The Authority  
5 shall not have outstanding at any one time State Guarantees  
6 under Section 830-30 in an aggregate principal amount exceeding  
7 \$160,000,000. The Authority shall not have outstanding at any  
8 one time State Guarantees under Sections 830-35, 830-45 and  
9 830-50, other than State Guarantees under Section 830-35 for  
10 energy-related agribusiness, in an aggregate principal amount  
11 exceeding \$75,000,000. The Authority shall not have  
12 outstanding at any one time State Guarantees under Section  
13 830-35 for energy-related agribusinesses in an aggregate  
14 principal amount exceeding \$340,000,000.

15 (Source: P.A. 93-205, eff. 1-1-04.)

16 (20 ILCS 3501/830-35)

17 Sec. 830-35. State Guarantees for loans to farmers and  
18 agribusiness; eligibility.

19 (a) The Authority is authorized to issue State Guarantees  
20 to lenders for loans to eligible farmers and agribusinesses, l  
21 including energy-related agribusinesses, for purposes set  
22 forth in this Section. For purposes of this Section, an  
23 eligible farmer shall be a resident of Illinois (i) who is  
24 principal operator of a farm or land, at least 50% of whose

1 annual gross income is derived from farming, (ii) whose annual  
2 total sales of agricultural products, commodities, or  
3 livestock exceeds \$20,000, and (iii) whose net worth does not  
4 exceed \$500,000. An eligible agribusiness shall be that as  
5 defined in Section 801-10 of this Act. The Authority may  
6 approve applications by farmers and agribusinesses that  
7 promote diversification of the farm economy of this State  
8 through the growth and development of new crops or livestock  
9 not customarily grown or produced in this State or that  
10 emphasize a vertical integration of grain or livestock produced  
11 or raised in this State into a finished agricultural product  
12 for consumption or use. The Authority may approve applications  
13 by energy-related agribusinesses that help replace the State's  
14 dependence on foreign oil with homegrown alternatives and  
15 provide alternatives to the high cost of gasoline, stabilize  
16 energy prices, or give Illinois farmers new markets for their  
17 crops. "New crops or livestock not customarily grown or  
18 produced in this State" shall not include corn, soybeans,  
19 wheat, swine, or beef or dairy cattle. "Vertical integration of  
20 grain or livestock produced or raised in this State" shall  
21 include any new or existing grain or livestock grown or  
22 produced in this State. Lenders shall apply for the State  
23 Guarantees on forms provided by the Authority, certify that the  
24 application and any other documents submitted are true and  
25 correct, and pay an administrative fee as determined by the  
26 Authority. The applicant shall be responsible for paying any

1 fees or charges involved in recording mortgages, releases,  
2 financing statements, insurance for secondary market issues  
3 and any other similar fees or charges as the Authority may  
4 require. The application shall at a minimum contain the  
5 farmer's or agribusiness' name, address, present credit and  
6 financial information, including cash flow statements,  
7 financial statements, balance sheets, and any other  
8 information pertinent to the application, and the collateral to  
9 be used to secure the State Guarantee. In addition, the lender  
10 must agree to charge an interest rate, which may vary, on the  
11 loan that the Authority determines to be below the market rate  
12 of interest generally available to the borrower. If both the  
13 lender and applicant agree, the interest rate on the State  
14 Guarantee Loan can be converted to a fixed interest rate at any  
15 time during the term of the loan. Except for State Guarantees  
16 for energy-related agribusinesses, any ~~Any~~ State Guarantees  
17 provided under this Section (i) shall not exceed \$500,000 per  
18 farmer or an amount as determined by the Authority on a  
19 case-by-case basis for an agribusiness, (ii) shall not exceed a  
20 term of 15 years, and (iii) shall be subject to an annual  
21 review and renewal by the lender and the Authority; provided  
22 that only one such State Guarantee shall be made per farmer or  
23 agribusiness, except that additional State Guarantees may be  
24 made for purposes of expansion of projects financed in part by  
25 a previously issued State Guarantee. State Guarantees for any  
26 energy-related agribusinesses shall not exceed \$10,000,000 for

1 any one project; provided that State Guarantees for any  
2 energy-related agribusiness that is classified as a bio-diesel  
3 project shall not exceed \$20,000,000 for any one project. State  
4 Guarantees for any energy-related agribusiness shall not  
5 exceed a term of 10 years. State Guarantees for any  
6 energy-related agribusiness shall be subject to review and  
7 renewal by the lender and the Authority, as frequently as  
8 determined by the Authority, provided that such review and  
9 renewal shall occur at least every 3 years. Only one State  
10 Guarantee shall be made for any energy-related agribusiness at  
11 a particular site or location. No State Guarantee shall be  
12 revoked by the Authority without a 90-day notice, in writing,  
13 to all parties. The lender shall not call due any loan for any  
14 reason except for lack of performance, insufficient  
15 collateral, or maturity. A lender may review and withdraw or  
16 continue with a State Guarantee on an annual basis after the  
17 first 5 years following closing of the loan application if the  
18 loan contract provides for an interest rate that shall not  
19 vary. A lender shall not withdraw a State Guarantee if the loan  
20 contract provides for an interest rate that may vary, except  
21 for reasons set forth herein.

22 (b) The Authority shall provide or renew a State Guarantee  
23 to a lender if:

24 (i) A fee equal to 25 basis points on the loan is paid  
25 to the Authority on an annual basis by the lender.

26 (ii) The application provides collateral acceptable to

1 the Authority that is at least equal to the State's portion  
2 of the Guarantee to be provided.

3 (iii) The lender assumes all responsibility and costs  
4 for pursuing legal action on collecting any loan that is  
5 delinquent or in default.

6 (iv) The lender is responsible for the first 15% of the  
7 outstanding principal of the note for which the State  
8 Guarantee has been applied.

9 (c) There is hereby created outside of the State treasury a  
10 special fund to be known as the Illinois Farmer and  
11 Agribusiness Loan Guarantee Fund. The State Treasurer shall be  
12 custodian of this Fund. Any amounts in the Fund not currently  
13 needed to meet the obligations of the Fund shall be invested as  
14 provided by law, and all interest earned from these investments  
15 shall be deposited into the Fund until the Fund reaches the  
16 maximum amounts authorized in this Act; thereafter, interest  
17 earned shall be deposited into the General Revenue Fund. After  
18 September 1, 1989, annual investment earnings equal to 1.5% of  
19 the Fund shall remain in the Fund to be used for the purposes  
20 established in Section 830-40 of this Act. The Authority is  
21 authorized to transfer such amounts as are necessary to satisfy  
22 claims from available appropriations and from fund balances of  
23 the Farm Emergency Assistance Fund as of June 30 of each year  
24 to the Illinois Farmer and Agribusiness Loan Guarantee Fund to  
25 secure State Guarantees issued under this Section and Sections  
26 830-45 and 830-50. If for any reason the General Assembly fails

1 to make an appropriation sufficient to meet these obligations,  
2 this Act shall constitute an irrevocable and continuing  
3 appropriation of an amount necessary to secure guarantees as  
4 defaults occur and the irrevocable and continuing authority  
5 for, and direction to, the State Treasurer and the Comptroller  
6 to make the necessary transfers to the Illinois Farmer and  
7 Agribusiness Loan Guarantee Fund, as directed by the Governor,  
8 out of the General Revenue Fund. In the event of default by the  
9 borrower on State Guarantee Loans under this Section, Section  
10 830-45 or Section 830-50, the lender shall be entitled to, and  
11 the Authority shall direct payment on, the State Guarantee  
12 after 90 days of delinquency. All payments by the Authority  
13 shall be made from the Illinois Farmer and Agribusiness Loan  
14 Guarantee Fund to satisfy claims against the State Guarantee.  
15 It shall be the responsibility of the lender to proceed with  
16 the collecting and disposing of collateral on the State  
17 Guarantee under this Section, Section 830-45 or Section 830-50  
18 within 14 months of the time the State Guarantee is declared  
19 delinquent. If the lender does not dispose of the collateral  
20 within 14 months, the lender shall be liable to repay to the  
21 State interest on the State Guarantee equal to the same rate  
22 that the lender charges on the State Guarantee, provided that  
23 the Authority shall have the authority to extend the 14-month  
24 period for a lender in the case of bankruptcy or extenuating  
25 circumstances. The Fund shall be reimbursed for any amounts  
26 paid under this Section, Section 830-45 or Section 830-50 upon

1 liquidation of the collateral. The Authority, by resolution of  
2 the Board, may borrow sums from the Fund and provide for  
3 repayment as soon as may be practical upon receipt of payments  
4 of principal and interest by a borrower on State Guarantee  
5 Loans under this Section, Section 830-45 or Section 830-50.  
6 Money may be borrowed from the Fund by the Authority for the  
7 sole purpose of paying certain interest costs for borrowers  
8 associated with selling a loan subject to a State Guarantee  
9 under this Section, Section 830-45 or Section 830-50 in a  
10 secondary market as may be deemed reasonable and necessary by  
11 the Authority.

12 (d) Notwithstanding the provisions of this Section 830-35  
13 with respect to the farmers, agribusinesses, and lenders who  
14 may obtain State Guarantees, the Authority may promulgate rules  
15 establishing the eligibility of farmers, agribusinesses, and  
16 lenders to participate in the State Guarantee program and the  
17 terms, standards, and procedures that will apply, when the  
18 Authority finds that emergency conditions in Illinois  
19 agriculture have created the need for State Guarantees pursuant  
20 to terms, standards, and procedures other than those specified  
21 in this Section.

22 (Source: P.A. 93-205, eff. 1-1-04.)