

1 AMENDMENT TO HOUSE BILL 5159

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5159 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Rural Bond Bank Act is amended by  
5 changing Section 3-3 as follows:

6 (30 ILCS 360/3-3) (from Ch. 17, par. 7203-3)

7 Sec. 3-3. Bonds and notes of the Bank.

8 (a) The Bank may issue its bonds and notes from time to  
9 time in any principal amounts that it considers necessary to  
10 provide funds for any of the purposes authorized by this Act,  
11 including:

12 (1) the making of loans;

13 (2) the payment, funding or refunding of the  
14 principal of, or interest or redemption premiums on, any  
15 bonds issued by the Bank, whether the bonds or interest  
16 to be funded or refunded have or have not become due or  
17 subject to redemption before maturity in accordance with  
18 their terms;

19 (3) the establishment or increase of reserves to  
20 secure or to pay bonds or interest on the bonds; and

21 (4) all other costs or expenses of the Bank  
22 incident to and necessary or convenient to carry out its

1 corporate purposes and powers.

2 (b) Except as expressly provided otherwise in this Act  
3 or by the Bank, every issue of bonds shall be general  
4 obligations of the Bank payable out of any revenues or funds  
5 of the Bank, subject only to any agreements with the holders  
6 of particular bonds pledging any particular revenues or  
7 funds. General obligation bonds may be additionally secured  
8 by a pledge of any grants, subsidies, contributions, funds or  
9 money from the federal government, the State, any  
10 governmental unit, any person or a pledge of any income or  
11 revenues, funds or money of the Bank from any source.

12 Not less than 30 days prior to the commitment to issue  
13 its bonds, or the making of loans or the purchasing of  
14 securities for the purpose of financing residential  
15 properties or related improvements, the Bank shall provide  
16 notice to the Executive Director of the Illinois Housing  
17 Development Authority. Within 30 days after notice is  
18 provided, the Illinois Housing Development Authority shall  
19 either in writing express interest in financing the  
20 residential property or related improvements or notify the  
21 Bank that it is not interested in providing such financing  
22 and the Bank may finance it or seek alternative financing.

23 (c)(1) The Bank may issue its notes for any  
24 corporate purpose of the Bank from time to time, in any  
25 principal amounts that it considers necessary, and may  
26 renew or pay and retire or refund the notes from the  
27 proceeds of bonds or of other notes, or from any other  
28 funds or money of the Bank available or to be made  
29 available for that purpose in accordance with any  
30 contract between the Bank and the noteholders, not  
31 otherwise pledged. The notes shall be issued in the same  
32 manner as bonds. The notes and the resolution or  
33 resolutions authorizing the notes may contain any  
34 provisions, conditions or limitations which the bonds or

1 a bond resolution of the Bank may contain.

2 (2) Unless provided otherwise in any contract  
3 between the Bank and the noteholders, and unless the  
4 notes have been otherwise paid, funded or refunded, the  
5 proceeds of any bonds of the Bank issued, among other  
6 things, to fund such outstanding notes, shall be held,  
7 used and applied by the Bank to the payment and  
8 retirement of the principal of these notes and the  
9 interest due and payable on the notes.

10 (3) The Bank may make contracts for the future sale  
11 from time to time of the notes under which the purchaser  
12 is committed to purchase the notes from time to time on  
13 terms and conditions stated in the contracts. The Bank  
14 may pay any consideration that it determines proper for  
15 these commitments.

16 (d) Whether or not the bonds or notes of the Bank are of  
17 such form and character as to be negotiable instruments under  
18 Article 8 of the Uniform Commercial Code, the bonds and notes  
19 shall be and are made negotiable instruments within the  
20 meaning of and for all the purposes of the Uniform Commercial  
21 Code, subject only to the provisions of the bonds and notes  
22 for registration.

23 (e) Bonds or notes of the Bank shall be authorized by  
24 resolution of the Bank and may be issued in one or more  
25 series. The resolution or resolutions may provide:

26 (1) the date or dates the bonds or notes will bear;

27 (2) the time or times the bonds or notes will  
28 mature;

29 (3) the rate or rates of interest per year the  
30 bonds or notes will bear;

31 (4) the denomination or denominations of the bonds  
32 or notes;

33 (5) the form of the bonds or notes, either coupon  
34 or registered;

1           (6) the conversion or registration privileges  
2 carried by the bonds or notes;

3           (7) the rank or priority of the bonds or notes;

4           (8) the manner of execution of the bonds or notes;

5           (9) the sources, medium and place or places, within  
6 or outside this State, of payment; and

7           (10) the terms of redemption of the bonds or notes,  
8 with or without premium.

9           (f) Bonds or notes of the Bank may be sold at public or  
10 private sale at the time or times and at the price or prices  
11 determined by the Bank.

12           (g) Upon approval of the Governor, except as otherwise  
13 provided herein, bonds or notes of the Bank may be issued  
14 under this Act without obtaining the consent of any other  
15 department, division, commission, board, bureau or agency of  
16 the State, and without any other proceeding or the happening  
17 of any other conditions or things than those proceedings,  
18 conditions or things which are specifically required by this  
19 Act. Approval of the Governor is not required for issuances  
20 of bonds or notes as to which the Bank has determined that  
21 subsection (c) of Section 2-6 shall not apply.

22           (h) The Bank may from time to time issue its notes as  
23 provided in this Act and pay and retire or fund or refund  
24 those notes from proceeds of bonds or of other notes, or from  
25 any other funds or money of the Bank available or to be made  
26 available for those purposes in accordance with any contract  
27 between the Bank and the noteholders. Unless provided  
28 otherwise in any contract between the Bank and the holders of  
29 notes, and unless the notes have been otherwise paid, funded  
30 or refunded, the proceeds of any bonds of the Bank issued,  
31 among other things, to fund those outstanding notes, shall be  
32 held, used and applied by the Bank to the payments and  
33 retirement of the principal of the notes and the interest due  
34 and payable on the notes.

1 (i) The total aggregate original principal amount of  
2 all bonds and notes issued by the Bank shall not exceed  
3 \$245,000,000, excluding bonds and notes issued to refund  
4 outstanding bonds and notes \$200,000,000. No more than  
5 \$60,000,000 ~~\$50,000,000~~ in aggregate original principal  
6 amount of all bonds and notes issued by the Bank shall be  
7 used to purchase local governmental securities issued by  
8 governmental units located in a county having a population in  
9 excess of 3,000,000 or in a County contiguous with a county  
10 having a population in excess of 3,000,000. All bonds and  
11 notes issued by the Bank heretofore shall be deemed to be  
12 included in said limits.

13 The bonds and notes issued by the Bank may bear interest  
14 at such rate or rates not exceeding the maximum rate  
15 permitted by the Bond Authorization Act.

16 (j) The State of Illinois pledges to and agrees with the  
17 holders of the bonds and notes of the Bank issued pursuant to  
18 this Act that the State will not limit or alter the rights  
19 and powers vested in the Bank by this Act so as to impair the  
20 terms of any contract made by the Bank with those holders or  
21 in any way impair the rights and remedies of those holders  
22 until those bonds and notes, together with interest thereon,  
23 with interest on any unpaid installments of interest, and all  
24 costs and expenses in connection with any action or  
25 proceedings by or on behalf of such holders, are fully met  
26 and discharged. In addition, the State pledges to and agrees  
27 with the holders of the bonds and notes of the Bank issued  
28 pursuant to this Act that the State will not limit or alter  
29 the basis on which State funds are to be paid to the Bank as  
30 provided in this Act, or the use of such funds, so as to  
31 impair the terms of any such contract. The Bank is authorized  
32 to include these pledges and agreements of the State in any  
33 contract with the holders of bonds or notes issued pursuant  
34 to this Act.

1 (Source: P.A. 89-211, eff. 8-3-95; 90-709, eff. 8-7-98.)

2 Section 99. Effective date. This Act takes effect upon

3 becoming law."