

1 AN ACT concerning the Rural Bond Bank.

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

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
23 corporate purposes and powers.

24 (b) Except as expressly provided otherwise in this Act
25 or by the Bank, every issue of bonds shall be general
26 obligations of the Bank payable out of any revenues or funds
27 of the Bank, subject only to any agreements with the holders
28 of particular bonds pledging any particular revenues or
29 funds. General obligation bonds may be additionally secured
30 by a pledge of any grants, subsidies, contributions, funds or
31 money from the federal government, the State, any

1 governmental unit, any person or a pledge of any income or
2 revenues, funds or money of the Bank from any source.

3 Not less than 30 days prior to the commitment to issue
4 its bonds, or the making of loans or the purchasing of
5 securities for the purpose of financing residential
6 properties or related improvements, the Bank shall provide
7 notice to the Executive Director of the Illinois Housing
8 Development Authority. Within 30 days after notice is
9 provided, the Illinois Housing Development Authority shall
10 either in writing express interest in financing the
11 residential property or related improvements or notify the
12 Bank that it is not interested in providing such financing
13 and the Bank may finance it or seek alternative financing.

14 (c)(1) The Bank may issue its notes for any
15 corporate purpose of the Bank from time to time, in any
16 principal amounts that it considers necessary, and may
17 renew or pay and retire or refund the notes from the
18 proceeds of bonds or of other notes, or from any other
19 funds or money of the Bank available or to be made
20 available for that purpose in accordance with any
21 contract between the Bank and the noteholders, not
22 otherwise pledged. The notes shall be issued in the same
23 manner as bonds. The notes and the resolution or
24 resolutions authorizing the notes may contain any
25 provisions, conditions or limitations which the bonds or
26 a bond resolution of the Bank may contain.

27 (2) Unless provided otherwise in any contract
28 between the Bank and the noteholders, and unless the
29 notes have been otherwise paid, funded or refunded, the
30 proceeds of any bonds of the Bank issued, among other
31 things, to fund such outstanding notes, shall be held,
32 used and applied by the Bank to the payment and
33 retirement of the principal of these notes and the
34 interest due and payable on the notes.

1 (3) The Bank may make contracts for the future sale
2 from time to time of the notes under which the purchaser
3 is committed to purchase the notes from time to time on
4 terms and conditions stated in the contracts. The Bank
5 may pay any consideration that it determines proper for
6 these commitments.

7 (d) Whether or not the bonds or notes of the Bank are of
8 such form and character as to be negotiable instruments under
9 Article 8 of the Uniform Commercial Code, the bonds and notes
10 shall be and are made negotiable instruments within the
11 meaning of and for all the purposes of the Uniform Commercial
12 Code, subject only to the provisions of the bonds and notes
13 for registration.

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

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

18 (2) the time or times the bonds or notes will
19 mature;

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

22 (4) the denomination or denominations of the bonds
23 or notes;

24 (5) the form of the bonds or notes, either coupon
25 or registered;

26 (6) the conversion or registration privileges
27 carried by the bonds or notes;

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

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

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

32 (10) the terms of redemption of the bonds or notes,
33 with or without premium.

34 (f) Bonds or notes of the Bank may be sold at public or

1 private sale at the time or times and at the price or prices
2 determined by the Bank.

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

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

26 (i) The total aggregate ~~original~~ principal amount of all
27 bonds and notes issued by the Bank and outstanding at any one
28 time shall not exceed \$500,000,000 ~~\$245,000,000~~, excluding
29 bonds and notes issued to refund outstanding bonds and notes.
30 No more than \$87,500,000 ~~\$60,000,000~~ in aggregate ~~original~~
31 principal amount of all bonds and notes issued by the Bank
32 shall be used to purchase local governmental securities
33 issued by governmental units located in a county having a
34 population in excess of 3,000,000 or in a County contiguous

1 with a county having a population in excess of 3,000,000.
2 ~~All--bonds--and--notes--issued--by--the--Bank--heretefore--shall--be~~
3 ~~deemed--to--be--included--in--said--limits.~~

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

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

26 (Source: P.A. 92-882, eff. 1-13-03.)

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