

1 AN ACT concerning higher education student assistance.

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

4 Section 5. The Higher Education Student Assistance Act
5 is amended by changing Section 145 as follows:

6 (110 ILCS 947/145)

7 Sec. 145. Issuance of Bonds.

8 (a) The Commission has power, and is authorized from
9 time to time, to issue bonds (1) to make or acquire eligible
10 loans, (2) to refund the bonds of the Commission, or (3) for
11 a combination of these such purposes. The Commission shall
12 not have outstanding at any one time bonds in an aggregate
13 principal amount exceeding \$3,500,000,000, excluding bonds
14 issued to refund the bonds of the Commission.

15 The Commission is authorized to use the proceeds from the
16 sale of bonds issued pursuant to this Act to fund the
17 reserves created therefor, including a reserve for interest
18 coming due on the bonds for one year following the issuance
19 of the bonds, as provided in the resolution or resolutions
20 authorizing the bonds and to pay the necessary expenses of
21 issuing the bonds, including but not limited to, legal,
22 printing, and consulting fees.

23 (b) The Commission has power, and is authorized from
24 time to time, to issue refunding bonds (1) to refund unpaid
25 matured bonds; (2) to refund unpaid matured coupons
26 evidencing interest upon its unpaid matured bonds; and (3) to
27 refund interest at the coupon rate upon its unpaid matured
28 bonds that has accrued since the maturity of those bonds. The
29 refunding bonds may be exchanged for the bonds to be refunded
30 on a par for par basis of the bonds, interest coupons, and
31 interest not represented by coupons, if any, or may be sold

1 at not less than par or may be exchanged in part and sold in
2 part; and the proceeds received at any such sale shall be
3 used to pay the bonds, interest coupons, and interest not
4 represented by coupons, if any. Bonds and interest coupons
5 which have been received in exchange or paid shall be
6 cancelled and the obligation for interest, not represented by
7 coupons which have been discharged, shall be evidenced by a
8 written acknowledgement of the exchange or payment thereof.

9 (c) The Commission has power, and is authorized from
10 time to time, to also issue refunding bonds under this
11 Section, to refund bonds at or prior to their maturity or
12 which by their terms are subject to redemption before
13 maturity, or both, in an amount necessary to refund (1) the
14 principal amount of the bonds to be refunded, (2) the
15 interest to accrue up to and including the maturity date or
16 dates thereof, and (3) the applicable redemption premiums, if
17 any. Those refunding bonds may be exchanged for not less than
18 an equal principal amount of bonds to be refunded or may be
19 sold and the proceeds received at the sale thereof (excepting
20 the accrued interest received) used to complete such
21 refunding, including the payment of the costs of issuance
22 thereof.

23 (d) The bonds shall be authorized by resolution of the
24 Commission and may be issued in one or more series, may bear
25 such date or dates, may be in such denomination or
26 denominations, may mature at such time or times not exceeding
27 40 years from the respective dates thereof, may mature in
28 such amount or amounts, may bear interest at such rate or
29 rates, may be in such form either coupon or registered as to
30 principal only or as to both principal and interest, may
31 carry such registration privileges (including the conversion
32 of a fully registered bond to a coupon bond or bonds and the
33 conversion of a coupon bond to a fully registered bond), may
34 be executed in such manner, may be made payable in such

1 medium of payment, at such place or places within or without
2 the State, and may be subject to such terms of redemption
3 prior to their expressed maturity, with or without premium,
4 as the resolution or other resolutions may provide. Proceeds
5 from the sale of the bonds may be invested as the resolution
6 or resolutions and as the Commission from time to time may
7 provide. All bonds issued under this Act shall be sold in
8 the manner and at such price as the Commission may deem to be
9 in the best interest of the public. The resolution may
10 provide that the bonds be executed with one manual signature
11 and that other signatures may be printed, lithographed or
12 engraved thereon.

13 The Commission shall not be authorized to create and the
14 bonds shall not in any event constitute State debt of the
15 State of Illinois within the meaning of the Constitution or
16 statutes of the State of Illinois, and the same shall be so
17 stated upon the face of each bond. The source of payment for
18 the bonds shall be stated on the face of each bond.

19 The issuance of bonds under this Act is in all respects
20 for the benefit of the People of the State of Illinois, and
21 in consideration thereof the bonds issued pursuant to this
22 Act and the income therefrom shall be free from all taxation
23 by the State or its political subdivisions, except for
24 estate, transfer, and inheritance taxes. For purposes of
25 Section 250 of the Illinois Income Tax Act, the exemption of
26 the income from bonds issued under this Act shall terminate
27 after all of the bonds have been paid. The amount of such
28 income that shall be added and then subtracted on the
29 Illinois income tax return of a taxpayer, pursuant to Section
30 203 of the Illinois Income Tax Act, from federal adjusted
31 gross income or federal taxable income in computing Illinois
32 base income shall be the interest net of any bond premium
33 amortization.

34 (Source: P.A. 92-45, eff. 6-29-01.)