

1 AMENDMENT TO HOUSE BILL 2257

2 AMENDMENT NO. _____. Amend House Bill 2257 by replacing
3 everything after the enacting clause with the following:

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.

1 (b) The Commission has power, and is authorized from
2 time to time, to issue refunding bonds (1) to refund unpaid
3 matured bonds; (2) to refund unpaid matured coupons
4 evidencing interest upon its unpaid matured bonds; and (3) to
5 refund interest at the coupon rate upon its unpaid matured
6 bonds that has accrued since the maturity of those bonds. The
7 refunding bonds may be exchanged for the bonds to be refunded
8 on a par for par basis of the bonds, interest coupons, and
9 interest not represented by coupons, if any, or may be sold
10 at not less than par or may be exchanged in part and sold in
11 part; and the proceeds received at any such sale shall be
12 used to pay the bonds, interest coupons, and interest not
13 represented by coupons, if any. Bonds and interest coupons
14 which have been received in exchange or paid shall be
15 cancelled and the obligation for interest, not represented by
16 coupons which have been discharged, shall be evidenced by a
17 written acknowledgement of the exchange or payment thereof.

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

32 (d) The bonds shall be authorized by resolution of the
33 Commission and may be issued in one or more series, may bear
34 such date or dates, may be in such denomination or

1 denominations, may mature at such time or times not exceeding
2 40 years from the respective dates thereof, may mature in
3 such amount or amounts, may bear interest at such rate or
4 rates, may be in such form either coupon or registered as to
5 principal only or as to both principal and interest, may
6 carry such registration privileges (including the conversion
7 of a fully registered bond to a coupon bond or bonds and the
8 conversion of a coupon bond to a fully registered bond), may
9 be executed in such manner, may be made payable in such
10 medium of payment, at such place or places within or without
11 the State, and may be subject to such terms of redemption
12 prior to their expressed maturity, with or without premium,
13 as the resolution or other resolutions may provide. Proceeds
14 from the sale of the bonds may be invested as the resolution
15 or resolutions and as the Commission from time to time may
16 provide. All bonds issued under this Act shall be sold in
17 the manner and at such price as the Commission may deem to be
18 in the best interest of the public. The resolution may
19 provide that the bonds be executed with one manual signature
20 and that other signatures may be printed, lithographed or
21 engraved thereon.

22 The Commission shall not be authorized to create and the
23 bonds shall not in any event constitute State debt of the
24 State of Illinois within the meaning of the Constitution or
25 statutes of the State of Illinois, and the same shall be so
26 stated upon the face of each bond. The source of payment for
27 the bonds shall be stated on the face of each bond.

28 The issuance of bonds under this Act is in all respects
29 for the benefit of the People of the State of Illinois, and
30 in consideration thereof the bonds issued pursuant to this
31 Act and the income therefrom shall be free from all taxation
32 by the State or its political subdivisions, except for
33 estate, transfer, and inheritance taxes. For purposes of
34 Section 250 of the Illinois Income Tax Act, the exemption of

1 the income from bonds issued under this Act shall terminate
2 after all of the bonds have been paid. The amount of such
3 income that shall be added and then subtracted on the
4 Illinois income tax return of a taxpayer, pursuant to Section
5 203 of the Illinois Income Tax Act, from federal adjusted
6 gross income or federal taxable income in computing Illinois
7 base income shall be the interest net of any bond premium
8 amortization.

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