

§11423. Trust agreement; pledge

1. Trust agreement. Any bonds issued under this chapter may be secured by a trust agreement by and between any or all of the following: The authority, a participating institution and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State.

[PL 1987, c. 807, §3 (NEW).]

2. Pledge. Any trust agreement entered into pursuant to a bond issue under this chapter may pledge or assign any revenues to be received by the authority or proceeds or benefits of any contract and may serve to convey or mortgage or otherwise secure any property or property rights, contain provisions for protecting and enforcing the rights and remedies of bondholders, restrict the individual right of action by bondholders and contain such other provisions as the authority deems appropriate, including the right to the appointment of a receiver and the right to the issuance of an order of specific performance by a court of competent jurisdiction.

[PL 2015, c. 170, §21 (AMD); PL 2015, c. 170, §30 (AFF).]

3. Education loan program. Any expense incurred in carrying out the trust agreement entered into pursuant to a bond issue under this chapter may be treated as a part of the cost of the operation of an education loan program.

[PL 2015, c. 170, §21 (AMD); PL 2015, c. 170, §30 (AFF).]

4. Valid and binding. A pledge by the authority of revenues as security for an issue of bonds issued under this chapter is valid and binding from the time when the pledge is made.

The revenues pledged are immediately subject to the lien of the pledge without any physical delivery, recording of any instrument or further act and the lien of any pledge is valid and binding against any person having any claim of any kind in tort, contract or otherwise against the authority or any participating institution or borrower, irrespective of whether the person has notice.

No bond resolution, trust agreement or financing statement, continuation statement or other instrument adopted or entered into by the authority under this chapter need be filed or recorded in any public record other than the records of the authority in order to perfect the lien against 3rd persons, regardless of any contrary provision of law.

[PL 2015, c. 170, §21 (AMD); PL 2015, c. 170, §30 (AFF).]

5. Trust funds. All money received by or on behalf of the authority under this chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this chapter.

Any officer with whom, or any bank or trust company with which, that money is deposited shall act as trustee of the money and shall hold and apply it for the purposes provided in the chapter and any applicable bond resolution or trust agreement.

[PL 1987, c. 807, §3 (NEW).]

SECTION HISTORY

PL 1987, c. 807, §3 (NEW). PL 2015, c. 170, §21 (AMD). PL 2015, c. 170, §30 (AFF).

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