



Ohio Revised Code

Section 175.08 Housing finance agency bonds - proceeds - sale - liability - negotiability.

Effective: July 1, 2005

Legislation: House Bill 431 - 125th General Assembly

(A) The Ohio housing finance agency may use the proceeds of bonds to carry out the agency's lawful purposes.

(B) The agency is the sole entity in the state that may issue bonds pursuant to Section 143(a) of the Internal Revenue Code or any similar provision of law. When the agency issues bonds to fund its homeownership program, it shall take all diligent measures to maximize the distribution of mortgage loans statewide, especially in underserved areas of the state, including but not limited to attempting to involve qualified lending institutions throughout the state.

(C) Bonds issued pursuant to this chapter need not comply with any provision of the Revised Code not in this chapter that applies to the issuance of bonds or notes. Notwithstanding any other provision of the Revised Code, the deposit, application, safeguarding, and investment of agency funds received or held under the agency's bond proceedings are not subject to Chapters 131. and 135. of the Revised Code and at no time are those funds public moneys or public funds.

(D)(1) Bonds issued pursuant to this chapter do not constitute a debt or the pledge of the faith and credit of this state or any political subdivision of this state. The holders or owners of the agency's bonds have no right to require the general assembly or the taxing authority of any political subdivision to levy taxes for the payment of the principal or interest on the agency's bonds. Money raised by taxation shall not be obligated or pledged for the payment of the principal or interest on bonds the agency issues pursuant to this chapter.

(2) Bonds issued pursuant to this chapter are payable solely from the revenues and security interests pledged for their payment as authorized by this chapter, except for bonds the agency issues in anticipation of the issuance of bonds and bonds that are refunded by refunding bonds. Refunding bonds are payable solely from revenues and security interests pledged for their payment as authorized by this chapter.



(E)(1) Any pledge on bonds is valid and binding from the time the pledge is made, and the revenues and security interests pledged and received are immediately subject to the lien of the pledge without any physical delivery or further act. The lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the agency, irrespective of whether the parties have notice of the lien of the pledge.

(2) Any resolution or trust agreement by which a pledge is created need not be filed or recorded except in the records of the agency. Any bond shall contain on its face a statement to the effect that the bond, as to both principal and interest, is not a debt of this state or any political subdivision of this state, but is payable solely from the revenues and security interests pledged for its payment.

(F) The agency may issue bonds for any term, at any interest rate, use any method of calculating interest including a variable interest rate, and include any provision or condition authorized pursuant to resolutions the agency adopts. The agency may authorize bonds of any denomination, form, registration privilege, medium of payment, place of payment, and term of redemption.

(G) The agency may sell bonds at public or private sale, for an amount not less than the price that the agency establishes. The agency chairperson or vice chairperson and any other officer that the agency designates shall execute the bonds manually or by facsimile signature. The agency may affix or print the agency's official seal or a facsimile on the bonds. Any coupons attached to the bonds shall bear the signature or facsimile signature of the chairperson or vice chairperson and any other officer the agency designates. If an officer whose signature appears on bonds or coupons ceases to be an officer before the delivery of the bonds, that signature or facsimile is sufficient for all purposes as if the officer had remained in office. If the agency changes its seal after a facsimile is imprinted on the bonds, the imprinted facsimile seal is sufficient for all purposes. The agency may execute bonds in book entry form in any manner appropriate to that form.

(H)(1) Any resolution that authorizes bonds or an issue of bonds may do any of the following:

(a) Pledge any of the agency's revenues and security interests to secure the payment of bonds or any issue of bonds;



- (b) Specify the use, investment, and disposition of the agency's revenues;
- (c) Agree to establish, alter, and collect fees and other charges in an amount that pledged revenues are sufficient to pay the costs of operation and pay the principal and interest on bonds secured by the pledge of the revenues;
- (d) Provide reserves that the resolution or trust agreement requires;
- (e) Set aside reserve funds or sinking funds and regulate and dispose of those funds;
- (f) Credit the proceeds of the sale of bonds to and among the funds referred to or provided for in the trust agreement or the resolution that authorized the issuance of bonds;
- (g) Establish limits on the purposes to which the proceeds of the sale of bonds may be applied and pledge those proceeds to secure the payment of the bonds or any issue of bonds;
- (h) Agree to do all things necessary for the authorization, issuance, and sale of bonds in amounts necessary for the timely retirement of notes issued in anticipation of the issuance of bonds;
- (i) Establish limits on the issuance of additional bonds;
- (j) Establish the terms upon which additional bonds may be issued and secured;
- (k) Provide for the refunding of outstanding bonds;
- (l) Establish procedures for amending or abrogating the terms of any contract with bondholders;
- (m) Establish limits on the amount of moneys the agency may expend for operating, administrative, or other expenses;
- (n) Secure bonds by a trust agreement in accordance with section 175.06 of the Revised Code;
- (o) Establish rules and procedures to address matters that affect the security or protection of the



bonds.

(2) Any resolution authorizing bonds or an issue of bonds is subject to any agreement with bondholders that exists at the time of the resolution. The provisions of any resolution authorizing bonds becomes part of the contract with the bondholders.

(I) No agency member nor any person executing agency bonds is liable personally on the bonds or is subject to any personal liability by reason of the issuance of the bonds.

(J) Bonds issued pursuant to this chapter are deemed to be negotiable instruments, subject only to the provisions of the bonds for registration, and possessing the qualities and incidents of negotiable instruments, notwithstanding whether those bonds are of the form or character otherwise to be negotiable instruments.