



Ohio Revised Code

Section 902.08 Loans to or through lending institution.

Effective: January 11, 1985

Legislation: House Bill 826 - 115th General Assembly

(A) An issuer may make and contract to make loans to or through lending institutions to finance a project on such terms and conditions as the issuer shall determine, and all lending institutions are hereby authorized to borrow from any issuer in accordance with this section.

(B) An issuer may purchase and contract to purchase from lending institutions loans or other evidence of debt to finance a project on such terms and conditions as the issuer shall determine, and all lending institutions are hereby authorized to sell such loans to any issuer in accordance with this section.

(C) An issuer may determine the following in connection with any issuance of bonds and the making of loans to or through, or the purchase of loans from, lending institutions under this section:

(1) Commitment requirements for projects financed by lending institutions involving money provided directly or indirectly under this section;

(2) The allocation of available money among lending institutions;

(3) The maturities, terms, conditions, and interest rates for loans made, purchased, sold, assigned, or committed under this section.

(D) An issuer shall require, as a condition of each loan made to or through a lending institution pursuant to this section, that the lending institution use such loan proceeds to make new loans to finance projects in an aggregate principal amount at least equal to the amount of such loan.

(E) An issuer may require that each lending institution receiving a loan from the issuer pursuant to this section shall issue and deliver to the issuer an evidence of its indebtedness to the issuer which shall bear such date or dates, shall mature at such time or times, shall be subject to prepayment, and shall contain such other provisions consistent with this chapter as the issuer shall determine.



(F) An issuer may require that loans made by the issuer pursuant to this section shall be secured as to payment of both principal and interest by a pledge of such collateral security as the issuer shall determine to be necessary to assure the payment of such loans and the interest thereon as the same become due.

(G) An issuer may require that any collateral for loans made by the issuer pursuant to this section be deposited with a bank, trust company, or other financial institution acceptable to the issuer located in the state and designated by the issuer as custodian therefor and may also establish such requirements as it shall consider necessary with respect to the pledging, assigning, setting aside, or holding of such collateral, and the making of substitutions therefor or additions thereto, and the disposition of income and receipts therefrom.

(H) An issuer may require as a condition of each loan made by the issuer to a lending institution pursuant to this section that such lending institution, within such period after receipt of the loan proceeds as the issuer may prescribe, shall have entered into a written commitment or commitments to make, and, within such period thereafter as the issuer may prescribe, shall have disbursed such loan proceeds in new loans. Such new loans shall have such terms and conditions as the issuer may prescribe.

(I) An issuer may require, as a condition of any loans made by the issuer to or through or purchased from lending institutions pursuant to this section, such representations and warranties as it shall determine to be necessary to secure such loans and carry out the purpose of this chapter.

(J) An issuer may provide in agreements with lending institutions and in loan documents requirements applicable to the purchase of loans pursuant to this section, including but not limited to the following:

(1) Qualifications of lending institutions from which loans may be purchased;

(2) The time period within which lending institutions must make commitments for and originate loans, and deliver them for purchase;



(3) The terms and conditions of loans to be purchased.

(K) Lending institutions and borrowers are authorized to comply with requirements pursuant to this section notwithstanding any other restrictions in law or rules.