

SHARED CREDIT RATING ACT (EXCERPT)
Act 227 of 1985

141.1074 Agreement by governmental unit upon sale or issuance of municipal obligations; additional powers of authority.

Sec. 24.

(1) Upon the sale and issuance of municipal obligations to the authority by a governmental unit, that governmental unit shall be held and considered to have agreed to all of the following if the governmental unit fails to pay the interest on or the principal of the municipal obligations held or owned by the authority as and when due and payable:

(a) That the governmental unit waives all and any defenses to the nonpayment and the authority upon the nonpayment shall constitute a holder or owner of the municipal obligations as being in default.

(b) That, notwithstanding the provisions of any other law as to time or duration of default or percentage of holders or owners of municipal obligations entitled to exercise rights of holders or owners of municipal obligations in default, or entitled to invoke any remedies or powers of holders or owners of or of a trustee in connection with or of a board, body, agency, or commission of the state having jurisdiction in the matter or circumstances of municipal obligations in default, the authority may immediately avail itself of all other remedies, rights, and provisions of law applicable in such a circumstance.

(c) That the failure to exercise or exert any rights or remedies within any time or period provided by law shall not be raised as a defense by that governmental unit.

(d) That all of the obligations of the issue of municipal obligations of that governmental unit as to which there has been such a nonpayment shall for all of the purposes of this section be held and considered to have become due and payable and to be unpaid.

(2) The authority may carry out the provisions of this section and exercise all of the rights and remedies and provisions of law provided or referred to in this section.

History: 1985, Act 227, Eff. Mar. 31, 1986