

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10405. Borrowing by the Authority.

(a)(1) The authority may issue bonds, debentures, securities notes, collaterals, and other obligations, at such rates and with such maturities as may be stipulated therein, and upon security as may be appropriate to the type of obligations shall be redeemable at the option of the authority at or before maturity in such manner as may be stipulated therein.

(2) The authority may borrow funds from any public or private lending institution or other source under such terms and conditions, and with such security, as may be acceptable to both parties.

(b) Except when the financing has a self-sufficient revenue base, the total debt of the authority shall not exceed three times its total capital during any initial partial fiscal year and the first full fiscal year of its operation. In such succeeding fiscal year, the ratio of debt to equity may be increased by one, until a maximum ratio of five to one has been reached. The debt-to-capital restrictions in this part shall not apply to obligations paid directly or indirectly by the United States or any of its agencies.

(c) The authority may borrow only up to \$1,000,000 for periods of not more than 60 days for cash flow for debt service payments or other business needs. This authorization shall not apply to administrative expenses.

Source: PL 4-49, § 13; amended by PL 4-63, § 6.