



Ohio Revised Code

Section 9.98 Bond financing definitions.

Effective: May 6, 2005

Legislation: House Bill 16 - 126th General Assembly

As used in sections 9.98 to 9.983 of the Revised Code:

(A) "Absolute obligor" means the person, other than the issuer, ultimately responsible under a loan agreement, lease, or sale or installment sale agreement, or other contract with the issuer to make payments necessary to provide adequate moneys to meet the debt service on the bonds, whether or not such payments are also provided for pursuant to a credit facility.

(B) "Administrative agent" means a bank, trust company, or other person which has responsibility for authenticating, delivering, or redeeming commercial paper on behalf of the issuer.

(C) "Agent" means, as applicable, one or more of the persons who are administrative agents, indexing agents, remarketing agents, or other persons having responsibility for performing functions with respect to floating rate interest structures or put arrangements.

(D) "Bonds" means bonds, notes, or other obligations evidencing the borrowing of money, whether or not interest bearing, or in coupon, registered, or book entry form, and includes, as appropriate, coupons or interest, if any, pertaining thereto.

(E) "Bond proceedings" means resolutions, ordinances, orders, trust agreements, indentures, and bonds, loan, sale, or installment sale agreements, agreements with administrative, indexing, or remarketing agents, and agreements pertaining to credit facilities, interest rate hedges, and put arrangements, which authorize or provide for the terms, security, liquidity, issuance, marketing, remarketing, delivery, carrying, redemption, or payment of bonds issued or previously authorized to be issued, or the investment of moneys pertaining to those bonds.

(F) "Commercial paper" means bonds with one or more maturities of three hundred sixty-five days or less which, under the bond proceedings, are expected to be funded by the issuance of additional bonds with maturities of three hundred sixty-five days or less, whether or not ultimately to be



funded with longterm bonds.

(G) "Credit facility" means letters of credit, lines of credit, stand-by, contingent, or firm bond purchase agreements, insurance or surety arrangements, and guarantees, and other arrangements which provide for direct payment of debt service on bonds, for security or for additional security in the event of nonpayment or default in respect of bonds, or for making payment to bondholders under put arrangements, or for otherwise supporting the credit or liquidity of the bonds, and includes credit, reimbursement, subrogation, and other agreements and arrangements for reimbursement, and security for the reimbursement, of the person providing the credit facility.

(H) "Debt service" means the principal, interest, and redemption premium payments, and any deposits pertaining thereto, required with respect to bonds.

(I) "Floating rate interest structure" means provisions in the bond proceedings whereby the interest rate or rates payable on the bonds, or upon successive series of commercial paper, vary from time to time pursuant to or in relation to an index provided by an indexing agent or otherwise established, a formula, base, publicly announced rate, yields on other obligations, determinations of an agent, or any one or combination of the foregoing, with or without approval or consent of the absolute obligor or issuer as provided in the bond proceedings.

(J) "Indexing agent" means a person with responsibility for establishing, adjusting and maintaining an index of interest rates or yields for purposes of a floating rate interest structure.

(K) "Interest rate period" means that period of time during which an interest rate or rates established under a floating rate interest structure will pertain, which periods may be altered or become fixed pursuant to the bond proceedings upon stated occurrences or upon determination of the absolute obligor or issuer.

(L) "Interest rate hedge" means any arrangement:

(1) By which either:

(a) The different interest costs or receipts at, between, or among fixed or floating interest rates,



including at different floating interest rates, are exchanged on stated amounts of bonds or investments, or on notional amounts; or

(b) A party will pay interest costs in excess of an agreed limitation; and

(2) Which also may include a requirement for the issuer to issue bonds at a future date. This requirement shall be deemed to be part of the bond proceedings at the time the interest rate hedge is entered into. Issuance of bonds at a future date shall not require further legislative action, but shall be a ministerial act.

(M) "Issuer" means the state, political subdivision, authority, commission, agency, officer, or other entity having authority to issue bonds referred to in section 9.981 of the Revised Code, and includes the body and officers authorized to act for the issuer in the matter.

(N) "Put arrangement" means provisions in the bond proceedings under which holders of the applicable bonds may exercise an option, or are required, to surrender the bonds or their ownership for an amount of payment previously established in or pursuant to the bond proceedings, at times, which may, but need not be, consistent with the ends of interest rate periods and which may be altered with or without the approval or consent, or upon the direction of, the absolute obligor or the issuer, as provided for in the bond proceedings.

(O) "Remarketing agent" means the person having responsibility for marketing or remarketing commercial paper or bonds with put arrangements, which may include responsibility for making recommendations or determinations as to prices or interest rates.