§ 2437. Bonds and notes of the agency. (1) Subject to the provisions of section two thousand four hundred thirty-eight of this title, the agency shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts as, in the opinion of the agency, shall be necessary to provide sufficient funds for achieving the corporate purposes thereof, including the purchase of municipal bonds, the providing of certain amounts to special program municipalities from the proceeds of special program bonds, the providing of certain amounts to special school purpose municipalities from the proceeds of special school purpose bonds, the providing of certain amounts to a special school deficit program district from the proceeds of special school deficit program bonds, the payment of interest on bonds and notes of the agency, establishment of reserves to secure such bonds and notes, payment of letter of credit, bond insurance and other credit and liquidity support facility fees, premiums, reimbursements and expenses, fees and expenses of trustees and paying agents and other financing costs including any accrued costs payable to the New York state housing finance agency pursuant to any contract entered into under subdivision twelve of section two thousand four hundred thirty-four of this title and all other expenditures of the agency incident to and necessary or convenient to carry out its corporate purposes and powers, except the operating expenses of the agency.

(2) Except as may otherwise be expressly provided by the agency, all bonds and notes issued by the agency shall be general obligations of the agency, secured by the full faith and credit of the agency and may be payable out of any moneys, assets, or revenues of the agency, subject only to any agreements with holders of particular bonds or notes pledging any particular moneys, assets or revenues, all as may be designated in the proceedings of the agency under which the bonds or notes shall be authorized to be issued.

(3) Bonds and notes shall be authorized by a resolution or resolutions of the agency adopted as provided by this title; provided, however, that any such resolution authorizing the issuance of bonds or notes may delegate to an officer of the agency the power to issue such bonds or notes from time to time and to fix the details of any such issues of

bonds or notes by an appropriate certificate of such authorized officer.

(4) Such bonds or notes shall bear such date or dates, shall mature at such time or times, shall bear interest at such rate or rates, shall be of such denominations, shall be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places within or without the state, be subject to such terms of redemption prior to maturity and have such other terms as may be provided by such resolution or resolutions or such certificate with respect to such bonds or notes, as the case may be; provided, however, that the maximum maturity of bonds other than special program bonds, special school purpose bonds or special school deficit program bonds shall not exceed forty years from the date thereof, the maximum maturity of special program bonds shall not exceed thirty years, the maximum maturity of special school purpose bonds shall not exceed twenty years, the maximum maturity of special school deficit program bonds shall not exceed ten years and the maximum maturity of notes or any renewals thereof shall not exceed five years from the date of the original issue of such notes.

(5) Any bonds or notes of the agency other than special program bonds, special school purpose bonds, special school deficit program bonds, recovery act bonds or public safety communications bonds shall be sold at public sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. Any special program bonds, special school purpose bonds, special school deficit program bonds, recovery act bonds or public safety communications bonds shall be sold at public or private sale and from time to time upon such terms and at such prices as may be determined by the agency, and the agency may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof provided, however, that special program bonds relating to a special program agreement entered for the purpose described in paragraph (b) of subdivision one of section twenty-four hundred thirty-five-a of this title shall be sold on or before June thirtieth, two thousand one. No special program bonds, special school purpose bonds, special school deficit program bonds, or recovery act bonds, or public safety

communications bonds of the agency may be sold by the agency at private sale, however, unless such sale and the terms thereof have been approved in writing by (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

(6) The agency is authorized to provide for the issuance of its bonds or notes for the purpose of refunding any bonds or notes of the agency then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The proceeds of any such bonds or notes issued for the purpose of so refunding outstanding bonds or notes, may, in the discretion of the agency, be applied to the purchase or retirement at maturity of such outstanding bonds or notes or the redemption of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes, or both such purposes, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the agency. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of or guaranteed by the state or the United States of America, or in certificates of deposit or time deposits secured in such manner as the agency shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds or notes to be so refunded by purchase, retirement at maturity or redemption, as the case may be. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds or notes to be so refunded by purchase, retirement at maturity or redemption, as the case may be. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, if any, earned or realized on the investments thereof may be returned to the agency for use by it in any lawful manner. All such bonds or notes shall be issued and secured and shall be subject to the provisions of this title in the same manner and to the same extent as any other bonds or notes authorized pursuant to this title.

(7) Whether or not the bonds and notes are of such form and character

as to be negotiable instruments under the terms of the uniform commercial code, the bonds and notes are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds and notes for registration.

(8) Subject only to the provisions of sections two thousand four hundred thirty-eight and two thousand four hundred thirty-nine of this title, any resolution or resolutions authorizing any bonds or notes of the agency may contain provisions which may be a part of the contract with the holders of such bonds or notes, as to: (a) pledging or creating a lien, to the extent provided by such resolution or resolutions, on all or any part of any monies or assets of the agency or of any moneys held in trust or otherwise by others for the payment of such bonds or notes; (b) otherwise providing for the custody, collection, securing, investment and payment of any moneys of the agency; (c) the setting aside of reserves or sinking funds and the regulation or disposition thereof; (d) limitations on the purpose to which the proceeds of sale of any issue of such bonds or notes then or thereafter to be issued may be applied; (e) limitations on the issuance of additional bonds or notes, the terms upon which additional bonds or notes may be issued and secured, and upon the refunding of outstanding or other bonds or notes; (f) the procedure, if any, by which the terms of any contract with the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto and the manner in which such consent may be given; (g) the creation of special funds into which any moneys of the agency may be deposited; (h) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the agency may determine, which may include any or all of the rights, powers and duties of the trustee appointed pursuant to section two thousand four hundred forty of this title, and limiting or abrogating the right of the holders of bonds or notes to appoint a trustee under such section or limiting the rights, duties and powers of such trustee; (i) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the agency and providing for the rights and remedies of the holders of bonds or notes in the event of such default, providing, however, that such rights and remedies shall not be inconsistent with the general laws of this state and other

provisions of this title; and (j) any other matters of like or different character, which in any way affect the security and protection of the bonds or notes and the rights of the holders thereof.

(9) Any resolution or resolutions or trust indenture or indentures under which bonds or notes of the agency are authorized to be issued may contain provisions for vesting in a trustee or trustees such properties, rights, powers and duties in trust as the agency may determine which may include any or all of the rights, powers and duties of the trustee appointed by the holders of any issue of notes or bonds pursuant to section two thousand four hundred forty of this title, in which event the provisions of said section two thousand four hundred forty authorizing the appointment of a trustee by such holders of bonds or notes shall not apply.

(10) It is the intention of the legislature that any pledge of earnings, revenues, other moneys or assets made by the agency shall be valid and binding from the time when the pledge is made; that the earnings, revenues, other moneys or assets so pledged and thereafter received by the agency shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the agency irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(11) Neither the members of the agency nor any person executing the bonds or other obligations shall be liable personally on the bonds or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof.