

MICHIGAN EXPORT DEVELOPMENT ACT (EXCERPT)
Act 157 of 1986

447.158 Guarantee or export insurance for eligible export transaction; requirements; fees; determinations; condition to provision of guarantee or export insurance.

Sec. 8. (1) The authority may provide a guarantee or export insurance for an eligible export transaction. Any guarantee or export insurance entered into by the authority under this act shall not constitute a general obligation of this state. Guarantees or export insurance provided by the authority under this act shall not be terminated, canceled, or otherwise revoked except in accordance with the terms of the guarantee or export insurance; shall be conclusive evidence that the guarantee or export insurance complies fully with the provisions of this act; and shall be valid and incontestable in the hands of a holder in due course of a guaranteed eligible export loan.

(2) The authority may charge reasonable fees for providing guarantee or export insurance pursuant to this section to a participating financial institution.

(3) Before providing financing for an eligible export transaction, a participating financial institution shall determine the exporter's viability, the economic benefits to be derived from the eligible export transaction, the prospects for repayment, and any other facts that it considers necessary in order to determine that the guarantee or export insurance is consistent with the purposes of this act.

(4) The authority shall provide the guarantee only if, and to the extent that, the authority determines in its sole discretion that at least 1 of the following is true:

(a) The guarantee is reasonably necessary in order to stimulate or facilitate the making of an eligible export transaction including, without limitation, the making of the eligible export transaction upon terms that will enable the transaction to be reasonably competitive with transactions in other states or in foreign countries.

(b) The guarantee is reasonably necessary in order to stimulate or facilitate the resale of an eligible export loan to a holder in due course that otherwise would not purchase the eligible export loan and documentation is provided by the financial institution indicating refusal to provide a loan sufficient for the eligible export transaction.

(5) The authority may condition the provision of guarantee or export insurance under this section upon such other terms and conditions as the authority considers desirable to carry out the purposes of this act.

History: 1986, Act 157, Imd. Eff. July 7, 1986;—Am. 1990, Act 304, Imd. Eff. Dec. 14, 1990.