

Senate Engrossed House Bill

FILED

KEN BENNETT

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

CHAPTER 228

HOUSE BILL 2489

AN ACT

AMENDING TITLE 35, CHAPTER 5, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6;
RELATING TO STUDENT LOAN BOND PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 35, chapter 5, Arizona Revised Statutes, is amended
3 by adding article 6, to read:

4 ARTICLE 6. STUDENT LOAN BOND PROGRAMS

5 35-771. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "EDUCATIONAL INSTITUTION" MEANS A UNIVERSITY UNDER THE JURISDICTION
8 OF THE ARIZONA BOARD OF REGENTS, A COMMUNITY COLLEGE IN THIS STATE, AN
9 ACCREDITED PRIVATE POSTSECONDARY INSTITUTION ELIGIBLE UNDER TITLE IV OF THE
10 HIGHER EDUCATION ACT OF 1965 LICENSED BY THIS STATE AND ANY OTHER ACCREDITED
11 INSTITUTION ELIGIBLE UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965
12 OFFERING POSTSECONDARY EDUCATION OR COURSES, WHETHER LOCATED WITHIN OR
13 OUTSIDE OF THE BOUNDARIES OF THIS STATE, THAT AWARDS ANY ELIGIBLE DEGREE.

14 2. "ELIGIBLE DEGREE" MEANS ANY POSTSECONDARY DEGREE OR PROGRAM.

15 3. "ELIGIBLE LENDER" MEANS AN ENTITY AFFILIATED OR CONTRACTING WITH A
16 CORPORATION OR A QUALIFIED EDUCATIONAL INSTITUTION THAT MAY MAKE STUDENT
17 LOANS TO ELIGIBLE STUDENTS OR TO THE PARENTS OF ELIGIBLE STUDENTS OR A
18 NONPROFIT ENTITY THAT IS EXEMPT FROM TAXATION UNDER SECTION 501(c)(3) OF THE
19 INTERNAL REVENUE CODE AND THAT MAKES STUDENT LOANS.

20 4. "ELIGIBLE STUDENT" MEANS ANY STUDENT ATTENDING ANY QUALIFIED
21 EDUCATIONAL INSTITUTION AND ANY RESIDENT OF THIS STATE ATTENDING ANY
22 EDUCATIONAL INSTITUTION.

23 5. "PARENT" MEANS A STUDENT'S MOTHER, FATHER, ADOPTIVE PARENT,
24 GRANDPARENT OR GUARDIAN OR ANY PERSON WITH THE DUTY AND AUTHORITY TO MAKE
25 IMPORTANT DECISIONS IN MATTERS HAVING A PERMANENT EFFECT ON THE LIFE AND
26 DEVELOPMENT OF A STUDENT AND TO BE CONCERNED ABOUT THE STUDENT'S GENERAL
27 WELFARE.

28 6. "QUALIFIED EDUCATIONAL INSTITUTION" MEANS AN EDUCATIONAL
29 INSTITUTION, AS DEFINED IN PARAGRAPH 1 OF THIS SECTION, WITH A CAMPUS AND
30 FACILITIES LOCATED IN THIS STATE THAT OFFERS ONE OR MORE ELIGIBLE DEGREES.

31 7. "STATE PROGRAM REPRESENTATIVE" MEANS THE GOVERNOR OR THE GOVERNOR'S
32 DESIGNEE.

33 8. "STUDENT LOAN" MEANS A LOAN TO OR FOR THE BENEFIT OF AN ELIGIBLE
34 STUDENT FOR THE PURPOSE OF FINANCING ALL OR A PART OF THE ELIGIBLE STUDENT'S
35 COST OF ATTENDING AN EDUCATIONAL INSTITUTION IN PURSUIT OF AN ELIGIBLE DEGREE
36 OR REFINANCING ANY SUCH LOAN PREVIOUSLY MADE.

37 35-772. Student loan bonds

38 A. IN ADDITION TO ANY POWERS GRANTED UNDER THIS CHAPTER, A CORPORATION
39 IS AUTHORIZED TO ISSUE BONDS IN ORDER TO FINANCE STUDENT LOANS MADE IN A
40 STUDENT LOAN PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE AND TO ISSUE
41 REFUNDING BONDS TO REFUND BONDS PREVIOUSLY ISSUED UNDER THIS ARTICLE AS
42 PROVIDED IN THIS CHAPTER.

43 B. A CORPORATION, IN FURTHERANCE OF A STUDENT LOAN PROGRAM, SHALL HAVE
44 THE POWER TO:

1 1. DETERMINE THE NATURE OF STUDENT LOAN PROGRAMS FOR ELIGIBLE STUDENTS
2 OR THEIR PARENTS FOR WHICH THE CORPORATION WILL ISSUE BONDS.

3 2. ENTER INTO CONTRACTS FOR ANY OR ALL STUDENT LOAN PROGRAM PURPOSES.

4 3. ENTER INTO CONTRACTS FOR THE ORIGINATION, ADMINISTRATION OR
5 SERVICING OF STUDENT LOANS.

6 4. DESIGNATE A PARTICULAR QUALIFIED EDUCATIONAL INSTITUTION OR
7 INSTITUTIONS, OR ELIGIBLE LENDER OR LENDERS, AS ITS AGENT FOR ACCOMPLISHING
8 ITS PURPOSES.

9 5. MAKE LOANS WITH PROCEEDS OF THE SALE OF ITS BONDS TO ANY ELIGIBLE
10 STUDENT, ANY PARENT OF AN ELIGIBLE STUDENT, ANY EDUCATIONAL INSTITUTION OR
11 ANY ELIGIBLE LENDER IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE CORPORATION
12 AND OTHER PARTIES. THE AGREEMENTS MAY PROVIDE THAT THE PROCEEDS OF ANY LOAN
13 MADE TO AN EDUCATIONAL INSTITUTION OR ELIGIBLE LENDER SHALL BE USED BY THE
14 EDUCATIONAL INSTITUTION OR ELIGIBLE LENDER TO PURCHASE, ORIGINATE OR MAKE
15 LOANS ONLY TO OR FOR THE BENEFIT OF ELIGIBLE STUDENTS ATTENDING DESIGNATED
16 QUALIFIED EDUCATIONAL INSTITUTIONS, OR TO THE PARENTS OF THOSE STUDENTS.

17 6. ACQUIRE, PURCHASE AND MAKE COMMITMENTS TO PURCHASE STUDENT LOANS
18 WITH PROCEEDS OF THE SALE OF ITS BONDS FROM ANY EDUCATIONAL INSTITUTION OR
19 ELIGIBLE LENDER IN ACCORDANCE WITH AN AGREEMENT BETWEEN THE CORPORATION AND
20 OTHER PARTIES. THE AGREEMENT MAY PROVIDE THAT THE STUDENT LOANS BE MADE ONLY
21 TO OR FOR THE BENEFIT OF ELIGIBLE STUDENTS ATTENDING DESIGNATED EDUCATIONAL
22 INSTITUTIONS, OR TO THE PARENTS OF THOSE STUDENTS.

23 7. RECEIVE AND ACCEPT FROM ANY PUBLIC AGENCY OR ANY OTHER SOURCE
24 LOANS, GRANTS, GUARANTEES OR INSURANCE WITH RESPECT TO STUDENT LOANS AND
25 STUDENT LOAN PROGRAMS.

26 8. ESTABLISH GUIDELINES GOVERNING THE ACTIONS OF QUALIFIED EDUCATIONAL
27 INSTITUTIONS AND ELIGIBLE LENDERS PARTICIPATING IN THE CORPORATION'S STUDENT
28 LOAN PROGRAM.

29 9. PERFORM ANY ACTS INCIDENTAL TO AND THAT IT DEEMS NECESSARY TO
30 EXECUTE THE POWERS LISTED IN THIS ARTICLE.

31 C. A CORPORATION SHALL NOT ISSUE BONDS TO FINANCE STUDENT LOANS
32 PURSUANT TO THIS ARTICLE UNLESS THE CORPORATION HAS APPROVED A PLAN FOR THE
33 STUDENT LOAN PROGRAM TO BE FINANCED BY THE BONDS AND HAS SUBMITTED THE PLAN
34 FOR REVIEW AND APPROVAL BY THE STATE PROGRAM REPRESENTATIVE PURSUANT TO
35 SECTION 35-773. A CORPORATION SHALL FOLLOW THE PLAN AS SUBMITTED AND
36 APPROVED EXCEPT FOR INSUBSTANTIAL DEVIATIONS DETERMINED BY THE CORPORATION'S
37 BOARD OF DIRECTORS TO BE NECESSARY FOR THE SUCCESSFUL ISSUANCE OF THE BONDS
38 AND ESTABLISHMENT AND OPERATION OF THE PROGRAM. THE PLAN SUBMITTED TO THE
39 STATE PROGRAM REPRESENTATIVE MUST ESTABLISH AT LEAST THE FOLLOWING:

40 1. THE CRITERIA FOR PARTICIPATION IN THE PROGRAM BY EDUCATIONAL
41 INSTITUTIONS, ELIGIBLE LENDERS AND ELIGIBLE STUDENTS.

42 2. THE GENERAL TERMS OF THE STUDENT LOANS AND THE PROGRAM.

43 3. ANY OTHER INFORMATION REASONABLY REQUESTED BY THE STATE PROGRAM
44 REPRESENTATIVE.

1 D. A CORPORATION THAT HAS APPROVED A PLAN FOR ISSUING STUDENT LOAN
2 BONDS AND A STUDENT LOAN PROGRAM TO BE FINANCED BY THE BONDS UNDER THIS
3 ARTICLE IS A STUDENT LOAN CORPORATION FOR THE PURPOSES OF CHAPTER 7 OF THIS
4 TITLE.

5 35-773. State program; representative

6 A. ALL INDUSTRIAL DEVELOPMENT AUTHORITIES ARE AUTHORIZED TO EXERCISE
7 POWERS AND ISSUE REVENUE BONDS TO FINANCE STUDENT LOANS IN ACCORDANCE WITH
8 THIS CHAPTER SO THAT THE STATE'S STUDENT LOAN PROGRAM IS AVAILABLE FOR
9 ELIGIBLE STUDENTS AT EDUCATIONAL INSTITUTIONS AS A STUDENT LOAN PROGRAM OF
10 GENERAL APPLICATION IN THIS STATE AND APPROVED BY THIS STATE.

11 B. THE STATE PROGRAM REPRESENTATIVE SHALL APPROVE OR DISAPPROVE A PLAN
12 SUBMITTED UNDER SECTION 35-772, WITH OR WITHOUT A HEARING, NOT LATER THAN
13 THIRTY DAYS AFTER RECEIPT OF THE PLAN AND SHALL PROMPTLY NOTIFY THE
14 CORPORATION THAT SUBMITTED THE PLAN OF THE APPROVAL OR DISAPPROVAL. IF THE
15 STATE PROGRAM REPRESENTATIVE DOES NOT NOTIFY THE CORPORATION THAT SUBMITTED
16 THE PLAN OF THE APPROVAL OR DISAPPROVAL WITHIN FORTY-FIVE DAYS AFTER
17 RECEIVING THE PLAN, THE PLAN IS DEEMED APPROVED. APPROVAL OF A PLAN
18 CONSTITUTES A FINDING BY THE STATE PROGRAM REPRESENTATIVE THAT:

19 1. THE ORIGATION OR ACQUISITION OF STUDENT LOANS BY THE CORPORATION
20 OR ITS AGENT OR AGENTS, A QUALIFIED EDUCATIONAL INSTITUTION OR AN ELIGIBLE
21 LENDER TO ELIGIBLE STUDENTS OR THEIR PARENTS WILL ASSIST THE STUDENTS IN
22 ATTENDING AN EDUCATIONAL INSTITUTION AND FINANCING THE STUDENT'S EDUCATION.

23 2. ADEQUATE PROVISION HAS BEEN OR WILL BE MADE FOR THE PAYMENT OF THE
24 PRINCIPAL OF OR INTEREST ON ANY BONDS ISSUED BY THE CORPORATION TO FINANCE
25 THE LOAN PROGRAM.

26 3. ADEQUATE PROVISION HAS BEEN MADE FOR THE PAYMENT OF THE REASONABLE
27 EXPENSES OF THE ADMINISTRATION OF THE LOAN PROGRAM.

28 4. THE PROPOSED PROCEDURES FOR APPLICATION OF THE BOND PROCEEDS, THE
29 COLLECTION OF PAYMENTS, INTEREST CHARGES AND ANY OTHER MATTERS CONCERNING THE
30 ADMINISTRATION OF THE LOAN PROGRAM ARE IN CONFORMANCE WITH THE LAW.

APPROVED BY THE GOVERNOR JUNE 19, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 19, 2013.

Passed the House February 26, 2013

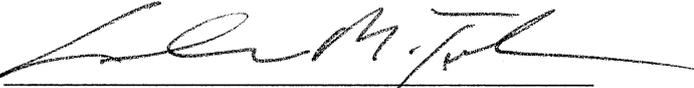
Passed the Senate June 13, 2013

by the following vote: 59 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

0 Nays, 1 Not Voting



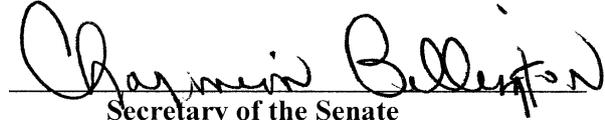
Speaker of the House



President of the Senate



Chief Clerk of the House



Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill received by the Governor this

_____ day of _____, 20____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

Secretary of State

H.B. 2489

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

June 13, 2013,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting



Speaker of the House



Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

14 day of June, 2013,

at 10:25 o'clock A M.


Secretary to the Governor

Approved this 19th day of

June, 2013,

at 2:31 o'clock P. M.


Governor of Arizona

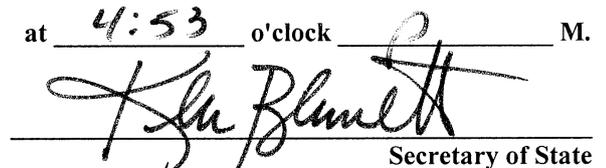
H.B. 2489

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 19th day of June, 2013,

at 4:53 o'clock P. M.


Secretary of State