

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 311
HOUSE BILL 2482

AN ACT

AMENDING SECTIONS 35-771, 35-772 AND 35-773, ARIZONA REVISED STATUTES;
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. Section 35-771, Arizona Revised Statutes, is amended to
3 read:

4 35-771. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Educational institution" means a university under the jurisdiction
7 of the Arizona board of regents, a community college in this state, an
8 accredited private postsecondary institution eligible under title IV of the
9 higher education act of 1965 licensed by this state and any other accredited
10 institution eligible under title IV of the higher education act of 1965
11 offering postsecondary education or courses, whether located within or
12 outside of the boundaries of this state, that awards any eligible degree.

13 2. "Eligible degree" means any postsecondary degree or program.

14 3. "Eligible lender" means an entity affiliated or contracting with a
15 corporation or a qualified educational institution that may make student
16 loans to eligible students or to the parents of eligible students or a
17 nonprofit entity that is exempt from taxation under section 501(c)(3) of the
18 internal revenue code and that makes student loans.

19 4. "Eligible student" means any student attending any qualified
20 educational institution and any resident of this state attending any
21 educational institution.

22 5. "Parent" means a student's mother, father, adoptive parent,
23 grandparent or guardian or any person with the duty and authority to make
24 important decisions in matters having a permanent effect on the life and
25 development of a student and to be concerned about the student's general
26 welfare.

27 6. "Qualified educational institution" means an educational
28 institution, as defined in paragraph 1 of this section, with a campus and
29 facilities located in this state that offers one or more eligible degrees.

30 7. "State program representative" means the ~~governor~~ STATE TREASURER
31 or the ~~governor's~~ STATE TREASURER'S designee.

32 8. "Student loan" means a loan to or for the benefit of an eligible
33 student for the purpose of financing all or a part of the eligible student's
34 cost of attending an educational institution in pursuit of an eligible degree
35 or refinancing any such loan previously made.

36 Sec. 2. Section 35-772, Arizona Revised Statutes, is amended to read:

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:

45 1. Determine the nature of student loan programs for eligible students
46 or their parents for which the corporation will issue bonds.

- 1 2. Enter into contracts for any or all student loan program purposes.
2 3. Enter into contracts for the origination, administration or
3 servicing of student loans.
4 4. Designate a particular qualified educational institution or
5 institutions, or eligible lender or lenders, as its agent for accomplishing
6 its purposes.
7 5. Make loans with proceeds of the sale of its bonds to any eligible
8 student, any parent of an eligible student, any educational institution or
9 any eligible lender in accordance with an agreement between the corporation
10 and other parties. The agreements may provide that the proceeds of any loan
11 made to an educational institution or eligible lender shall be used by the
12 educational institution or eligible lender to purchase, originate or make
13 loans only to or for the benefit of eligible students attending designated
14 qualified educational institutions, or to the parents of those students.
15 6. Acquire, purchase and make commitments to purchase student loans
16 with proceeds of the sale of its bonds from any educational institution or
17 eligible lender in accordance with an agreement between the corporation and
18 other parties. The agreement may provide that the student loans be made only
19 to or for the benefit of eligible students attending designated educational
20 institutions, or to the parents of those students.
21 7. Receive and accept from any public agency or any other source
22 loans, grants, guarantees or insurance with respect to student loans and
23 student loan programs.
24 8. Establish guidelines governing the actions of qualified educational
25 institutions and eligible lenders participating in the corporation's student
26 loan program.
27 9. Perform any acts incidental to and that it deems necessary to
28 execute the powers listed in this article.
29 C. **EXCEPT AS PROVIDED IN SUBSECTION D OF THIS SECTION,** a corporation
30 shall not issue bonds to finance student loans pursuant to this article
31 unless the corporation has approved a plan for the student loan program to be
32 financed by the bonds and has submitted the plan for review and approval by
33 the state program representative pursuant to section 35-773. A corporation
34 shall follow the plan as submitted and approved except for insubstantial
35 deviations determined by the corporation's board of directors to be necessary
36 for the successful issuance of the bonds and establishment and operation of
37 the program. The plan submitted to the state program representative must
38 establish at least the following:
39 1. The criteria for participation in the program by educational
40 institutions, eligible lenders and eligible students.
41 2. The general terms of the student loans and the program.
42 3. Any other information reasonably requested by the state program
43 representative.
44 D. **A CORPORATION MAY ISSUE BONDS WITHOUT APPROVING A PLAN OR**
45 **SUBMITTING A PLAN FOR REVIEW AND APPROVAL TO THE STATE PROGRAM REPRESENTATIVE**
46 **IF THE ISSUANCE IS FOR EITHER:**

1 C. IF THE BONDS ARE RATED IN THE "A" CATEGORY OR BETTER, WITHOUT
2 REGARD TO MODIFIERS WITHIN THE "A" CATEGORY, BY A NATIONALLY RECOGNIZED BOND
3 RATING AGENCY, THAT RATING IS CONCLUSIVE PROOF THAT ADEQUATE PROVISION FOR
4 PAYMENT HAS BEEN MADE PURSUANT TO SUBSECTION B, PARAGRAPH 2 OF THIS SECTION.

APPROVED BY THE GOVERNOR APRIL 10, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2015.