

2025 -- H 5961 SUBSTITUTE A

LC001314/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO TOWNS AND CITIES -- HEALTH AND EDUCATIONAL BUILDING CORPORATION

Introduced By: Representatives Serpa, McNamara, Shallcross Smith, Hull, Azzinaro, Donovan, Corvese, Baginski, Lima, and Costantino

Date Introduced: February 28, 2025

Referred To: House Municipal Government & Housing

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 45-38.1-1, 45-38.1-3, 45-38.1-4, 45-38.1-5, 45-38.1-5.1, 45-38.1-
2 5.2, 45-38.1-5.3, 45-38.1-6, 45-38.1-7, 45-38.1-9, 45-38.1-11, 45-38.1-19, 45-38.1-20 and 45-38.1-
3 25 of the General Laws in Chapter 45-38.1 entitled "Health and Educational Building Corporation"
4 are hereby amended to read as follows:

5 **45-38.1-1. Declaration of policy.**

6 It is declared that for the benefit of the people of the state of Rhode Island, the increase of
7 their commerce, welfare, and prosperity and the improvement of their health and living conditions,
8 it is essential that this and future generations ~~of youth~~ be given the fullest opportunity to learn and
9 to develop their intellectual, physical and mental capacities; that it is essential that ~~institutions for~~
10 ~~higher education~~ educational institutions within the state be provided with appropriate additional
11 means to assist ~~youth~~ people of the state in achieving the required levels of learning and
12 development of their intellectual, physical and mental capacities; that it is essential that
13 municipalities within the state be provided with appropriate additional means to improve the health,
14 living conditions, and welfare of their residents with expanded access to public educational or
15 public recreational facilities; that it is essential that healthcare providers within the state be provided
16 with appropriate additional facilities; and that it is the purpose of this chapter to provide a measure
17 of assistance and an alternative method to enable ~~institutions for higher education~~ educational
18 institutions in the state, municipalities in the state, ~~child-daycare providers within the state,~~ and

1 healthcare providers to provide the facilities and structures which are sorely needed to accomplish
2 the purposes of this chapter, and to provide a measure of assistance and an alternative method to
3 enable students and the families of students attending ~~institutions for higher education~~ educational
4 institutions in the state to finance the cost or a portion of the cost of that ~~higher~~ education, all to the
5 public benefit and good, to the extent and manner provided in this chapter. It is further declared
6 that the exercise by the Rhode Island health and educational building corporation, created and
7 established under § 45-38.1-4, of the powers conferred on the corporation, under this chapter, will
8 constitute the performance of an essential governmental function.

9 **45-38.1-3. Definitions.**

10 As used in this chapter, the following words and terms have the following meaning unless
11 the context indicates another or different meaning or intent:

12 (1) “Bonds” means bonds of the corporation issued under the provisions of this chapter,
13 including refunding bonds, notwithstanding that the bonds may be secured by mortgage or the full
14 faith and credit of the corporation or the full faith and credit of a participating ~~institution for higher~~
15 ~~education~~ educational institution or of a participating municipality or of a participating healthcare
16 provider or any other lawfully pledged security of a participating educational institution ~~or child~~
17 ~~daycare center~~ or of a participating municipality or of a participating healthcare provider.

18 (2) “Borrower” means a student or a parent who has received or agreed to pay an education
19 loan.

20 (3) “Capital note(s)” means a note or notes of the corporation not exceeding twelve (12)
21 months in duration to maturity issued for the benefit of a healthcare provider or educational
22 institution or municipality ~~or child daycare center~~ to purchase capital assets to be used in the
23 operations of the healthcare provider or educational institution or municipality ~~or child daycare~~
24 ~~center~~.

25 (4) “Child daycare center” means a child daycare center as defined in § 42-12.5-2, which
26 is a not-for-profit organization.

27 (5) “Cooperative hospital service organization” means a corporation created pursuant to
28 chapter 6 of title 7, which meets the requirements of Section 501(e) of the Internal Revenue Code
29 of 1954, 26 U.S.C. § 501(e), and is exempt from federal taxation of income in accordance with
30 Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

31 (6) “Corporation” means the Rhode Island health and educational building corporation
32 created and established as a nonbusiness corporation, under and pursuant to chapter 6 of title 7, as
33 amended, and constituted and established as a public body corporate and agency of the state under
34 § 45-38.1-4, or any board, body, commission, department, or officer succeeding to the principal

1 functions of the corporation or to whom the powers conferred upon the corporation by this chapter
2 are given by law.

3 (7) "Corporation loans" means loans by the corporation to an educational institution ~~or~~
4 ~~child daycare center~~ for the purpose of funding education loans.

5 (8) "Cost" as applied to a project or any portion of it, financed under the provisions of this
6 chapter, embraces all or any part of the cost of construction and acquisition of all lands, structures,
7 real or personal property, rights, rights of way, franchises, easements, and interests acquired or used
8 for a project, the cost of demolishing or removing any buildings or structures on land so acquired,
9 including the cost of acquiring any lands to which the buildings or structures may be moved, the
10 cost of all machinery and equipment, financing charges, interest prior to, during and for a period
11 after completion of the construction, provisions for working capital, reserves for principal and
12 interest and for extensions, enlargements, additions, replacements, renovations and improvements,
13 cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates
14 of cost and of revenues, administrative expenses, expenses necessary or incident to determining the
15 feasibility or practicability of constructing the project, and other expenses that may be necessary or
16 incident to the construction and acquisition of the project, the financing of the construction and
17 acquisition, and the placing of the project in operation.

18 (9) "Default insurance" means insurance insuring education loans, corporation loans, or
19 bonds or notes of the corporation against default.

20 (10) "Default reserve fund" means a fund established pursuant to a resolution of the
21 corporation for the purpose of securing education loans, corporation loans, or bonds or notes of the
22 corporation.

23 (11) "Education loan" means a loan that is made by or on behalf of an educational
24 institution ~~or child daycare center~~ from the proceeds of a corporation loan, to a student or parents
25 of a student or both, to finance the student's attendance at the [educational](#) institution.

26 (12) "Education loan series portfolio" means all education loans made by or on behalf of a
27 specific educational institution ~~or child daycare center~~ that are funded from the proceeds of a
28 corporation loan to the institution out of the proceeds of a related specific bond or note issued
29 through the corporation.

30 (13) "Educational institution" means:

31 (i) ~~An educational institution or local education authority participating in the school~~
32 ~~housing aid program as described in chapter 7 of title 16 situated within this state which, by virtue~~
33 ~~of law or charter, is a~~ [A](#) public or ~~other~~ nonprofit educational institution empowered to provide a
34 program of education at the primary, secondary, or high school level; [or](#) beyond the high school

1 level, and which is accredited by a nationally recognized educational accrediting agency or
2 association if required or applicable, and awards ~~a bachelor's or advance-degree~~ degrees, if
3 applicable, or provides a program of not less than two (2) years' duration that is accepted for full
4 credit toward ~~a bachelor's~~ an advanced degree;

5 (ii) Any nonprofit corporation, business corporation, limited liability company, or
6 partnership or limited partnership the shareholders or members or partners or limited partners of
7 which are limited to those entities described in subsection (13)(i) hereof;

8 (iii) Any nonprofit corporation, business corporation, limited liability company,
9 partnership, or limited partnership that is a party to a public-private partnership agreement at least
10 one of the parties of which is described in subsection (13)(i) hereof;

11 (iv) Any museum in this state as defined by § 34-44.1-1 and that is a not-for-profit
12 organization; ~~or~~

13 (v) Any performing arts center or theater that produces ~~live~~, on-stage musical, theatrical,
14 or dance performances in this state for members of the public and that is a not-for-profit
15 organization; or

16 (vi) A child daycare center.

17 (14) "Healthcare provider" means:

18 (i) Any nonprofit hospital incorporated under the laws of the state, including any nonprofit
19 subsidiary corporations formed by any hospital or formed by the parent corporation of the hospital;

20 (ii) Any nonprofit corporation, the member or members of which consist solely of one or
21 more hospitals or their parent corporations;

22 (iii) Any other hospital that is licensed as a general hospital or maternity hospital pursuant
23 to chapter 17 of title 23 that is exempt from taxation;

24 (iv) Any nonprofit group health association;

25 (v) Any cooperative hospital service organization, or any nonprofit corporation that is
26 licensed as a skilled nursing and/or intermediate care facility pursuant to chapter 17 of title 23,
27 including any nonprofit subsidiary corporation formed by any of the foregoing skilled nursing
28 and/or intermediate care facilities, or any nonprofit corporation eligible to receive funding, pursuant
29 to chapter 8.5 of title 40.1, and/or a corporation created pursuant to chapter 6 of title 7, provided,
30 that it is a real estate holding corporation created for the benefit of a nonprofit corporation eligible
31 to receive funding under chapter 8.5 of title 40.1;

32 (vi) Any nonprofit healthcare corporation whose purpose is to provide home care services
33 or supplies to the citizens of this state including, but not limited to, nonprofit visiting nurse
34 associations and nonprofit home care organizations;

1 (vii) Any other not-for-profit corporation organized pursuant to chapter 6 of title 7 or
2 pursuant to any special act of the general assembly and that is exempt from federal taxation of
3 income in accordance with Section 501(c)(3), 26 U.S.C. § 501(c)(3), of the Internal Revenue Code
4 and that is licensed as:

5 (A) A healthcare facility pursuant to chapter 17 of title 23;

6 (B) A “facility” pursuant to chapter 24 of title 40.1;

7 (C) A “residential care and assisted living facility” pursuant to chapter 17.4 of title 23;

8 (D) An adult daycare facility; or

9 (E) A “clinical laboratory” pursuant to chapter 16.2 of title 23 and as a manufacturer of
10 biological products by the United States Department of Health and Human Services Food and Drug
11 Administration that operates in Rhode Island;

12 (viii) Any not-for-profit corporation that is exempt from federal taxation of income in
13 accordance with Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), or any
14 successor section of the Internal Revenue Code, that ~~under contract with the state~~ educates,
15 counsels, or rehabilitates ~~young~~ people who have come subject to ~~the~~ child welfare, ~~juvenile~~ justice,
16 or ~~mental~~ behavioral health systems in the state;

17 (ix) Any network or similar arrangement of those entities listed in subsections (14)(i)
18 through (viii) of this section;

19 (x)(A) Any nonprofit corporation, business corporation, limited liability company,
20 partnership, or limited partnership, the shareholders or members or partners or limited partners of
21 which are limited to those entities described in subsections (14)(i) through (ix) hereof; or

22 (B) Any nonprofit corporation, business corporation, limited liability company,
23 partnership, or limited partnership that is a party to a public-private partnership agreement at least
24 one of the parties of which is described in subsections (14)(i) through (ix) hereof;

25 (xi) Any not-for-profit corporation organized pursuant to chapter 6 of title 7 or pursuant to
26 any special act of the general assembly, that is exempt from federal taxation of income in
27 accordance with Section 501(c)(3), 26 U.S.C. § 501(c)(3), of the Internal Revenue Code, that
28 provides individual or family behavioral health, physical health, social or human services within
29 the state and that is accredited by a nationally recognized behavioral health, physical health, social
30 or human services accrediting agency, if required or applicable; or

31 (xii) A not-for-profit corporation or joint venture, involving a not-for-profit corporation
32 organized pursuant to chapter 6 of title 7 or pursuant to any special act of the general assembly,
33 that is exempt from federal taxation of income in accordance with Section 501(c)(3), 26 U.S.C. §
34 501(c)(3), of the Internal Revenue Code and that provides temporary housing shelter to people

1 within this state.

2 (15) "Loan funding deposit" means monies or other property deposited by an educational
3 institution ~~or child daycare center~~ with the corporation, a guarantor, or a trustee for the purpose of:

4 (i) Providing security for bonds or notes;

5 (ii) Funding a default reserve fund;

6 (iii) Acquiring default insurance;

7 (iv) Defraying costs of the corporation, the monies or properties to be in amounts as deemed
8 necessary by the corporation or a guarantor as a condition for the institution's participation in the
9 corporation's programs.

10 (16) "Municipality" means any city or town located in the state ~~with powers set forth in~~
11 ~~this title, or any regional school district of a group of municipalities which is or operates a local~~
12 ~~education agency as defined in § 16-92-3, that is eligible to participate in the school housing aid~~
13 ~~programs described in chapter 7 of title 16, situated within this state, and that is authorized to~~
14 ~~provide a program of education at the primary, secondary, or high school level, and that is~~
15 ~~accredited by a nationally recognized educational accrediting agency or association, if required or~~
16 ~~applicable.~~

17 (17) "Nonprofit group health association" means an association or a corporation
18 established by an act of the general assembly, or created pursuant to chapter 6 of title 7, to provide
19 all or any part of a project or property to the citizens of this state.

20 (18) "Note" means a written promise to pay, including, but not limited to, capital notes and
21 revenue anticipation notes.

22 (19) "Parent" means any parent, legal guardian, or sponsor of the student at an educational
23 institution ~~or child daycare center~~.

24 (20) "Participating educational institution" means an educational institution ~~or child~~
25 ~~daycare center~~ which, pursuant to the provisions of this chapter, undertakes the financing and
26 construction or acquisition of a project, or undertakes the refunding or refinancing of obligations
27 or of a mortgage or of advances or undertakes the financing, directly or indirectly, of education
28 loans, all as provided in and permitted by this chapter.

29 (21) "Participating healthcare provider" means a healthcare provider that, pursuant to the
30 provisions of this chapter, undertakes the financing and construction or acquisition of a project or
31 undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided
32 in and permitted by this chapter.

33 (22) "Participating municipality" means a municipality that, pursuant to the provisions of
34 this chapter, undertakes the financing and construction or acquisition of a project or undertakes the

1 refunding or refinancing of obligations or of a mortgage or of advances as provided in and permitted
2 by this chapter.

3 (23) “Project,” in the case of a participating educational institution ~~or child daycare center~~
4 means a structure suitable for use as a dormitory or other housing facility, dining hall, student
5 union, administration building, academic building, school housing project, library, laboratory,
6 research facility, classroom, athletic facility, healthcare facility, and maintenance, storage or utility
7 facility, and other structures or facilities related to the educational institution ~~or child daycare center~~
8 or required or useful for the instruction of students or the conducting of research or the operation
9 of an educational institution ~~or child daycare center~~ including parking and other ancillary facilities
10 or structures essential or convenient for the orderly conduct of the educational institution ~~or child~~
11 ~~daycare center~~ and also includes equipment and machinery and other similar items necessary or
12 convenient for the operation of a particular facility or structure in the manner for which its use is
13 intended, but does not include such items as books, fuel, supplies, or other items which are
14 customarily deemed to result in a current operating charge; ~~and~~ in the case of a participating
15 municipality means a structure suitable for use as ~~a~~ an educational facility, academic building,
16 administration building, public library, gymnasium, recreational facility, park, playground, and
17 maintenance, storage, or utility facility and other structures required or useful for the operation of
18 the project, including parking and other ancillary facilities or structures essential or convenient for
19 the orderly operation of the project, and also includes equipment and machinery and other similar
20 items necessary or convenient for the operation of the project in the manner for which its use is
21 intended, but does not include such items as books, fuel, supplies, or other items that are
22 customarily deemed to result in a current operating charge; and, in the case of a participating
23 healthcare provider, means a structure suitable for use as a hospital, clinic, nursing home,
24 congregate housing for the elderly and/or infirm, ~~mental~~ assisted living, behavioral health service
25 unit, or other healthcare facility, laboratory, laundry, nurses’, interns’, or clients’ residence,
26 administration building, office building, research facility, and maintenance, storage, or utility
27 facility, and other structures or facilities related to the healthcare provider or required or useful for
28 the operation of the project, including parking and other ancillary facilities or structures essential
29 or convenient for the orderly operation of the project, and also includes equipment and machinery
30 and other similar items necessary or convenient for the operation of the project in the manner for
31 which its use is intended, but does not include such items as fuel, supplies, or other items which
32 are customarily deemed to result in a current operating charge.

33 (24) “Public-private partnership agreement” means an arrangement or agreement pursuant
34 to which a nonprofit corporation, business corporation, limited liability company, partnership, or

1 limited partnership undertakes or develops a project for an educational institution, municipality, or
2 a healthcare provider including, but not limited to, a lease arrangement, wherein pursuant to such
3 arrangement or agreement at the conclusion of such arrangement or agreement the ownership of
4 the bond-financed or note-financed project is transferred to the educational institution,
5 municipality, or healthcare provider for no additional consideration.

6 (25) “Recreational facility” means a system of public recreation ~~established by~~ [as described](#)
7 [in](#) § 32-3-2.

8 (26) “Revenue anticipation note(s)” means a note or notes of the corporation not exceeding
9 twelve (12) months in duration to maturity issued for the benefit of a healthcare provider or
10 educational institution in anticipation of revenues reasonably expected to be collected by the
11 healthcare provider or educational institution within twelve (12) months from the date of the note
12 or notes.

13 (27) “School housing project” means an “approved project,” as defined in § 16-7-36.

14 (28) “School housing project financing” means bonds issued through the corporation to
15 fund school housing projects as provided in and permitted by § 16-7-44.

16 (29) “State” means the state of Rhode Island.

17 (30) “State reimbursement” shall mean the state’s share of school housing project cost as
18 determined in accordance with §§ 16-7-35 — 16-7-47.

19 **45-38.1-4. Corporation established.**

20 (a) There is hereby created a public body corporate and agency of the state to be known as
21 the “Rhode Island health and educational building corporation” as successor to the Rhode Island
22 educational building corporation, previously created as a nonbusiness corporation under and
23 pursuant to chapter 6 of title 7, as amended by chapter 121 of the Public Laws of 1966, and
24 constituted and established as a public body corporate and agency of the state for the exercising of
25 the powers conferred on the corporation under and pursuant to §§ 45-38.1-1 — 45-38.1-24.

26 (b) All of the powers of the corporation are vested in the board of directors of the
27 corporation elected at the first meeting of the incorporators of the Rhode Island educational
28 building corporation, and the members of the board shall continue to serve for the duration of the
29 terms for which they were originally elected. Successors to the members of the board of directors
30 shall be appointed by the governor, as follows: prior to the month of June in each year, commencing
31 in the year 1968, the governor shall appoint a member to serve on the board of directors for a term
32 of five (5) years to succeed the member whose term will expire in June of that year. In the event of
33 a vacancy occurring in the membership of the board of directors, the governor shall appoint a new
34 member of the board of directors for the unexpired term. Any member of the board of directors is

1 eligible for reappointment.

2 (c) Each member of the board of directors, before entering upon his or her duties, shall take
3 an oath to administer the duties of his or her office faithfully and impartially, and the oath shall be
4 filed in the office of the secretary of state.

5 (d) The board of directors shall elect two (2) of its members as chairperson and vice
6 chairperson, and also elect a secretary, assistant secretary, treasurer, and assistant treasurer, who
7 need not be members of the board. Three (3) members of the board of directors of the corporation
8 shall constitute a quorum, and the affirmative vote of the majority of the directors present and
9 entitled to vote at any regular or special meeting at which a quorum is present, is necessary for any
10 action to be taken by the corporation; except, however, that the affirmative vote of three (3)
11 members of the board of directors is necessary for the election of officers of the corporation and to
12 amend the bylaws of the corporation. No vacancy in the membership of the board of directors of
13 the corporation impairs the right of a quorum to exercise all the powers of and perform the duties
14 of the corporation.

15 (e) Any action taken by the corporation under the provisions of this chapter may be
16 authorized by resolution at any regular or special meeting, and each resolution takes effect
17 immediately and need not be published or posted.

18 (f) The members of the board of directors shall receive compensation at the rate of fifty
19 dollars (\$50.00) per meeting attended; however, the compensation shall not exceed one thousand
20 five hundred dollars (\$1,500) per fiscal year per member.

21 (g) Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of
22 interest for a trustee, director, officer, or employee of an ~~institution for higher education~~ [educational](#)
23 [institution](#) or municipality ~~or child daycare center~~ or a healthcare provider to serve as a member of
24 the board of directors of the corporation; provided, that the trustee, director, officer, or employee
25 abstains from deliberation, action, and vote by the board under this chapter in specific respect to
26 the ~~institution for higher education~~ [educational institution](#) or municipality ~~or child daycare center~~
27 or the healthcare provider of which the member is a trustee, director, officer, or employee.

28 (h) The board and corporation shall comply with provisions of chapter 155 of title 42, the
29 quasi-public corporations accountability and transparency act.

30 **45-38.1-5. General grant of powers.**

31 The corporation has the following powers, together with all powers incidental or necessary
32 for the performance of the following:

33 (1) To have perpetual succession as a public body corporate and agency of the state and to
34 adopt bylaws for the regulation of its affairs and the conduct of its business;

- 1 (2) To adopt an official seal and alter the seal at pleasure;
- 2 (3) To maintain an office at a place or places that it may designate;
- 3 (4) To sue and be sued, plead and be impleaded;
- 4 (5) To determine the location and character of any project to be financed under the
- 5 provisions of this chapter, and to construct, reconstruct, renovate, replace, maintain, repair, operate,
- 6 lease, as lessee or lessor, and regulate the project to pay its costs, to enter into contracts for any or
- 7 all of those purposes, to enter into contracts for the management and operation of a project, and to
- 8 designate a participating educational institution ~~or child day care center~~ or a participating
- 9 municipality or a participating healthcare provider as its agent to determine the location and
- 10 character of a project undertaken by the participating educational institution ~~or child day care center~~
- 11 or a participating municipality or by a participating healthcare provider under the provisions of this
- 12 chapter, and as the agent of the corporation, to acquire, construct, reconstruct, renovate, replace,
- 13 maintain, repair, operate, lease, as lessee or lessor, and regulate the project, and, as the agent of the
- 14 corporation, to enter into contracts for any or all of those purposes, including contracts for the
- 15 management and operation of the project;
- 16 (6) To issue bonds, notes, bond anticipation notes, revenue anticipation notes, capital notes,
- 17 and other obligations of the corporation including, but not limited to, interest rate exchange
- 18 agreements and contracts to hedge interest rates, for any of its corporate purposes, and to fund or
- 19 refund the bonds, all as provided in this chapter;
- 20 (7) Generally, to fix and revise from time to time and charge and collect rates, rents, fees,
- 21 and charges for the use of and for the services furnished or to be furnished by a project or any
- 22 portion of it, and to contract with any person, partnership, association, or corporation or other body
- 23 public or private in respect to the project;
- 24 (8) To establish rules and regulations for the use of a project or any portion of it and to
- 25 designate a participating educational institution ~~or child day care center~~, or a participating healthcare
- 26 provider or a participating municipality as its agent to establish rules and regulations for the use of
- 27 a project undertaken by the participating educational institution ~~or child day care center~~ or by the
- 28 participating healthcare provider or by the participating municipality;
- 29 (9) Employ consulting engineers, architects, attorneys, accountants, construction and
- 30 financial experts, superintendents, managers, and other employees and agents as may be necessary
- 31 in its judgment, and to fix their compensation;
- 32 (10) To receive and accept from any public agency, loans or grants for or in aid of the
- 33 construction of a project or any portion of it, and to receive and accept loans, grants, aid, or
- 34 contributions from any source of either money, property, labor, or other things of value, to be held,

1 used, and applied only for the purposes for which those loans, grants, aid, and contributions are
2 made;

3 (11) To mortgage any project, and the site of the project, for the benefit of the holders of
4 bonds issued to finance the project;

5 (12) To make loans to any participating educational institution or ~~child daycare center and~~
6 ~~to~~ any participating healthcare provider or to ~~a~~ any participating municipality for the cost of a
7 project in accordance with an agreement, and any other security instrument required by the
8 corporation between the corporation and the participating educational institution ~~or child daycare~~
9 ~~center~~ or the participating healthcare provider; or the participating municipality; provided that, no
10 loan exceeds the total cost of the projects as determined by the participating educational institution
11 ~~or child daycare center~~ or the participating healthcare provider or the participating municipality and
12 approved by the corporation;

13 (13) To make loans to a participating educational institution, ~~or child daycare center or to~~
14 a participating healthcare provider or to ~~the~~ a participating municipality to refund outstanding
15 obligations, mortgages, or advances issued, made or given by the participating educational
16 institution, ~~or child daycare center~~ or the participating healthcare provider or to ~~a~~ the participating
17 municipality for the cost of a project;

18 (14) To charge to and equitably apportion, among a participating educational institution ~~or~~
19 ~~child daycare center~~ and a participating healthcare provider and a participating municipality, its
20 administrative costs and expenses incurred in the exercise of the powers and duties conferred by
21 this chapter;

22 (15) To accept any gifts or grants or loans of funds or property or financial or other aid in
23 any form from the federal government or any agency or instrumentality of the federal government,
24 or from the state or any agency or instrumentality of the state, or from any other source and to
25 comply, subject to the provisions of this chapter, with the terms and conditions of the gifts, grants,
26 or loans;

27 (16) To do all things necessary or convenient to carry out the purposes of this chapter. In
28 carrying out the purposes of this chapter, the corporation may undertake a project for two (2) or
29 more participating healthcare providers jointly, two (2) or more participating educational
30 institutions jointly, or for any combination of providers, and, thereupon, all other provisions of this
31 chapter shall apply to and for the benefit of the corporation and those joint participants;

32 (17) To enter into contracts for the purpose of guaranteeing or insuring loans to any
33 participating educational institution, ~~or child daycare center or to~~ any participating healthcare
34 provider or ~~to~~ any participating municipality to carry out the purposes of the corporation, and to

1 pledge, encumber, or advance funds of the corporation in connection with the loans; and

2 (18) To make and effectuate gifts or grants of corporation funds for or in aid of the
3 construction of or development of any project or any portion of a project or in furtherance of the
4 policies, purposes, and powers of the corporation set forth in this chapter, and to retain or appoint
5 any agents or consultants deemed necessary or desirable by the corporation to effectuate, make,
6 and administer the gifts or grants.

7 **45-38.1-5.1. Powers relative to education loan financing programs.**

8 (a) The corporation has all the powers necessary or convenient to carry out and effectuate
9 the purposes and provisions of this chapter, including the following powers in addition to others
10 granted by this chapter:

11 (1) To determine criteria and guidelines encompassing the type of, and qualifications for,
12 education loan financing programs and issuance of bonds or notes by the corporation, including
13 eligibility standards for borrowers that the corporation determines are necessary or desirable in
14 order to effectuate the purposes of this chapter;

15 (2) To establish specific criteria governing the eligibility of ~~institutions for higher~~
16 ~~education~~ educational institutions to participate in its programs and for the making of corporation
17 loans and education loans, the issuance of bonds or notes by the corporation, provisions for default,
18 the establishment of default reserve funds, the purchase of default insurance, the provision by the
19 institutions of prudent debt service reserves, and the furnishing, by participating ~~institutions for~~
20 ~~higher education~~ educational institutions and others, of additional guarantees of the education
21 loans, corporation loans, or bonds as the corporation determines;

22 (3) To establish rules and regulations with respect to corporation loans, education loans,
23 and education loan series portfolios;

24 (4) To receive and accept from any source, loans, contributions, or grants for or in aid of a
25 corporation education loan financing program, or any portion of it, and, when desirable, to use the
26 funds, property, or labor only for the purposes for which it was loaned, contributed, or granted;

27 (5) To contract with guarantors, financial institutions, or other qualified loan origination
28 and servicing organizations, which shall assist in prequalifying borrowers for education loans and
29 service and administer each education loan. The corporation may require that each borrower be
30 charged a fee to defray the costs of origination, servicing, and administration of education loans.
31 The amount and method of collection of the fee shall be determined by the corporation.
32 Participating ~~institutions for higher education~~ educational institutions may perform these acts if
33 authorized by the corporation;

34 (6) To contract with a guarantor to provide security for the payment of education loans

1 through the issuance of insurance against default, or to provide a guarantee of payment covering
2 all or a portion of each education loan made by or on behalf of the corporation or by or on behalf
3 of an ~~institution for higher education~~ educational institution from the proceeds of a corporation
4 loan;

5 (7) To make corporation loans to participating ~~institutions for higher education~~ educational
6 institutions and require that the proceeds be used for making education loans and paying costs and
7 fees in connection with the loans;

8 (8) To charge and equitably apportion, among participating ~~institutions for higher~~
9 ~~education~~ educational institutions, its administrative costs and expenses incurred in the exercise of
10 the powers and duties granted by this section;

11 (9) Notwithstanding any other provisions in this chapter, to commingle and pledge as
12 security for a series or issue of bonds, only with the consent of all of the ~~institutions for higher~~
13 ~~education~~ educational institutions which are participating in the series or issue:

14 (i) The education loan series portfolios and some or all future education loan series
15 portfolios of the ~~institutions for higher education~~ educational institutions; and

16 (ii) The loan funding deposits of the institutions; provided, that education loan series
17 portfolios and other security and monies set aside in any fund or funds pledged for any series of
18 bonds or issue of bonds are held for the sole benefit of the series or issues, separate and apart from
19 education loan series portfolios and other security and monies pledged for any other series or issue
20 of bonds of the corporation. Bonds may be issued in series under one or more resolutions or trust
21 agreements in the discretion of the corporation;

22 (10) To examine records and financial reports of participating ~~institutions for higher~~
23 ~~education~~ educational institutions, and to examine records and financial reports of any person,
24 organization, or institution retained under subsections (a)(5) or (a)(6);

25 (11) To do all things necessary or convenient to carry out the purposes of this chapter.

26 (b) In carrying out the purposes of this chapter, the corporation may issue bonds, the
27 proceeds of which are loaned to two (2) or more participating ~~institutions for higher education~~
28 educational institutions or for any combination of participating ~~institutions for higher education~~
29 educational institutions and, thereupon, all other provisions of this chapter apply to and for the
30 benefit of the corporation and the participants in the joint program or programs. Any joint
31 participation requires the express approval of all participants.

32 (c) The corporation shall require that corporation loans be used solely for the purpose of
33 education loans and in an amount not to exceed the total cost of attendance, as defined by the
34 corporation, less other forms of student assistance that the corporation may determine. The

1 corporation shall require that ~~institutions for higher education~~ educational institutions insist that
2 each borrower under an education loan use the proceeds solely for educational purposes and
3 purposes reasonably related to education, and that each borrower shall so certify.

4 (d) Whenever refunding bonds are issued to refund bonds, the proceeds of which were used
5 to make corporation loans, the corporation may reduce or increase the amount it is owed by the
6 ~~institution for higher education~~ educational institution which had received corporation loans from
7 the proceeds of the refunded bonds. The ~~institutions for higher education~~ educational institutions
8 may reduce or increase the amount of interest being paid on education loans which the institution
9 has made pursuant to the corporation loans from the proceeds of the refunded bonds.

10 **45-38.1-5.2. Acquisition of certain monies, endowments, properties, and guarantees.**

11 The corporation is authorized and empowered to establish specific guidelines relating to
12 the deposits of certain monies, endowments, or properties by ~~institutions for higher education~~
13 educational institutions which would provide security for education loan funding programs,
14 corporation loans, education loans, or for bonds or notes, and to establish guidelines relating to
15 guarantees of or contracts to purchase education loans or bonds by the institutions or by financial
16 institutions or others. A default reserve fund may be established for each series or issue of bonds.
17 In this regard, the corporation is empowered to receive monies, endowments, properties, and
18 guarantees as it deems appropriate and, if necessary, to take title in the name of the corporation or
19 in the name of a participating ~~institution for higher education~~ educational institution or a trustee.

20 **45-38.1-5.3. Conveyance of loan funding deposit after payment of bonds.**

21 When the principal of, interest on, and premium, if any, due in connection with bonds or
22 notes of the corporation issued to finance the cost of an education loan financing program or
23 programs, including any refunding bonds or notes issued to refund and refinance those bonds or
24 notes have been fully paid and retired, or when adequate provision has been made to fully pay and
25 retire the bonds or notes, and all other conditions of the bond or note resolution authorizing the
26 bonds or notes, have been satisfied and the security interest or lien created by the bond or note
27 resolution has been released in accordance with the provisions of the resolution, the corporation
28 shall promptly do those things and execute deeds and conveyances that are necessary and required
29 to convey any remaining monies, properties, and other assets, comprising loan funding deposits, to
30 the participating ~~institutions for higher education~~ educational institutions which furnished the
31 monies, properties, and other assets in proportion to the amounts furnished by the respective
32 participating ~~institutions for higher education~~ educational institutions.

33 **45-38.1-6. Acquisition of property.**

34 The corporation is authorized and empowered, directly, or by and through a participating

1 ~~institution for higher education~~ educational institution, or a participating municipality ~~or a~~
2 ~~participating child daycare center~~ or a participating healthcare provider, as its agent, to acquire by
3 purchase or by gift or devise any lands, structures, property, real or personal, rights, rights of way,
4 franchises, easements, and other interests in lands, including lands lying under water and riparian
5 rights, which are located within or without the state as it may deem necessary or convenient for the
6 construction or operation of a project, upon terms and at prices that may be considered by it to be
7 reasonable and can be agreed upon between it and the owner of the property, and to take title to the
8 property in the name of the corporation or in the name of a participating ~~institution for higher~~
9 ~~education~~ educational institution or a participating municipality ~~or a participating child daycare~~
10 ~~center~~ or a participating healthcare provider as its agent.

11 **45-38.1-7. Title to project.**

12 When the principal of and interest on bonds of the corporation issued to finance the cost of
13 a particular project or projects for a participating ~~institution for higher education~~ educational
14 institution, or for a participating municipality ~~or a participating child daycare center~~ or for a
15 participating healthcare provider, including any refunding bonds or notes issued to refund and
16 refinance the bonds or notes, have been fully paid and retired, or when adequate provision has been
17 made to fully pay and retire the bonds or notes, and all other conditions of the resolution or trust
18 agreement authorizing and securing the bonds or notes have been satisfied and the lien of the
19 resolution or trust agreement has been released in accordance with its provisions, the corporation
20 shall promptly do things and execute deeds and conveyances that are necessary and required to
21 convey title to the project or projects to the participating ~~institution for higher education~~ educational
22 institution, or the participating municipality ~~or the participating child daycare center~~ or the
23 participating healthcare provider, free and clear of all liens and encumbrances, all to the extent that
24 title to the project or projects shall not, at the time, then be vested in the participating ~~institution for~~
25 ~~higher education~~ educational institution, or the participating municipality ~~or the participating child~~
26 ~~daycare center~~ or the participating healthcare provider.

27 **45-38.1-9. Bonds of the corporation.**

28 (a) The corporation is authorized from time to time to issue its negotiable bonds for any
29 corporate purpose or project. In anticipation of the sale of the bonds the corporation may issue
30 negotiable bond anticipation notes and may renew those notes from time to time, but maximum
31 maturity of the notes, including renewals of those notes, shall not exceed forty (40) years from the
32 date of issue of the original notes. The notes shall be paid from any revenues of the corporation or
33 other moneys available for payment and not otherwise pledged, or from the proceeds of the sale of
34 the bonds of the corporation in anticipation of which they were issued. The notes shall be issued in

1 the same manner as the bonds. The notes and the resolution, or resolutions authorizing the notes,
2 may contain any provisions, conditions, or limitations which a bond resolution of the corporation
3 may contain.

4 (b) The bonds, notes, or other obligations are payable from any revenues or moneys of the
5 corporation available for payment and not otherwise pledged, subject only to any agreements with
6 the holders of particular bonds, notes, or other obligations pledging any particular revenues or
7 moneys, and subject to any agreements with any participating ~~institution for higher education~~
8 educational institution, ~~or~~ any participating municipality ~~or participating child daycare center~~ or
9 any participating hospital, notwithstanding that the bonds, notes, or other obligations may be
10 payable from a special fund, they shall be and be deemed to be for all purposes negotiable
11 instruments, subject only to the provisions of the bonds, notes, or other obligations for registration.

12 (c) The bonds may be issued as serial bonds or as term bonds, or the corporation, in its
13 discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the
14 corporation and bear a date or dates, mature at a time or times, not exceeding sixty-five (65) years
15 from their respective dates, bear interest at rate or rates, be payable at a time or times, be in
16 denominations, be in a form, either coupon or registered, carry registration privileges, be executed
17 in a manner, be payable in lawful money of the United States of America at a place or places, and
18 be subject to terms of redemption, that the resolution or resolutions may provide. In the event term
19 bonds are issued, the resolution authorizing the term bonds may make provisions for the
20 establishment and management of adequate sinking reserve funds for their payment as the
21 corporation may deem necessary. The bonds or notes may be sold at public or private sale for a
22 price or prices as the corporation determines. Pending preparation of the definitive bonds, the
23 corporation may issue interim receipts or certificates which shall be exchanged for the definitive
24 bonds.

25 (d) Any resolution or resolutions authorizing any bonds or any issue of bonds may contain
26 provisions, which are a part of the contract with the holders of the bonds to be authorized, as to:

27 (1) Pledging the full faith and credit of a participating ~~institution for higher education~~
28 educational institution, ~~or~~ of a participating municipality ~~or participating child daycare center~~ or of
29 a participating healthcare provider, all or any part of the revenues of a project of any revenue
30 producing contract or contracts made by the corporation with any individual, partnership,
31 corporation, or association or other body, public or private, or pledging all or any part of the
32 revenues derived from corporation loans, education loans, payments by participating ~~institutions~~
33 ~~for higher education~~ educational institutions, banks, guarantors, insurers, or others pursuant to
34 letters of credit or purchase agreements, investment earnings, insurance proceeds, loan funding

1 deposits, proceeds from the sale of education loans, proceeds of refunding bonds and fees, charges,
2 and other revenues of the corporation, to secure the payment of the bonds or of any particular issue
3 of bonds, subject to agreements with bondholders as may then exist;

4 (2) The rentals, revenues, fees, and other charges to be charged, and the amounts to be
5 raised in each year, and the use and disposition of the revenues;

6 (3) The setting aside of reserves or sinking funds, loan funding deposits, and their
7 regulation and disposition;

8 (4) Limitations on the right of the corporation or its agent to restrict and regulate the use of
9 the project or of education loans;

10 (5) Limitations on the purpose to which the proceeds of the sale of any issue, of bonds then
11 or thereafter to be issued, may be applied and pledging the proceeds to secure the payment of the
12 bonds or any issue of the bonds;

13 (6) Limitations on the issuance of additional bonds, the terms upon which additional bonds
14 may be issued and secured, and the refunding of outstanding bonds;

15 (7) The procedure, if any, by which the terms of any contract with bondholders may be
16 amended or abrogated, the amount of bonds the holders of which must consent thereto, and the
17 manner in which the consent may be given;

18 (8) Limitations on the amount of moneys derived from the project or education loan
19 program to be expended for operating, administrative, or other expenses of the corporation;

20 (9) Defining the acts or omissions to act which constitute a default in the duties of the
21 corporation to holders of its obligations, and providing the rights and remedies of those holders in
22 the event of a default;

23 (10) The mortgaging of a project and its site for the purpose of securing the bondholders;

24 (11) Any other additional covenants, agreements, and provisions that are deemed desirable
25 or necessary by the corporation for the security of the holders of the bonds; and

26 (12) Providing for guarantees, pledges of endowment, letters of credit, property, or other
27 security for the benefit of the holders of the bonds.

28 (e) Neither the members of the corporation nor any person executing the bonds or notes
29 are personally liable on the bonds or notes, or are subject to any personal liability or accountability
30 by reason of the issuance of the bonds or notes.

31 (f) The corporation has power out of any available funds, to purchase its bonds or notes.
32 The corporation may hold, pledge, cancel, or resell the bonds, subject to and in accordance with
33 agreements with bondholders.

34 **45-38.1-11. Revenues.**

1 (a) The corporation is authorized to fix, revise, charge, and collect rates, rents, fees, and
2 charges for the use of and for the services furnished by each project, and to contract with any
3 person, partnership, association, or corporation, or other body, public or private, in this respect.
4 The rates, rents, fees, and charges shall be fixed and adjusted in respect of the aggregate of rates,
5 rents, fees, and charges from the project so as to provide funds sufficient with other revenues, if
6 any: (1) To pay the cost of maintaining, repairing, and operating the project and each and every
7 portion of it, to the extent that the corporation has not adequately provided for the payment of the
8 cost; (2) to pay the principal of and the interest on outstanding revenue bonds of the corporation
9 issued in respect of the project as the bonds become due and payable; and (3) to create and maintain
10 reserves required or provided for in any resolution authorizing, or trust agreement securing, the
11 revenue bonds of the corporation. The rates, rents, fees, and charges are not subject to supervision
12 or regulation by any department, commission, board, body, bureau, or agency of the state other
13 than the corporation. A sufficient amount of the revenues as may be necessary to pay the cost of
14 maintenance, repair, and operation and to provide reserves and for renewals, replacements,
15 extensions, enlargements, and improvements as may be provided for in the resolution authorizing
16 the issuance of any revenue bonds of the corporation or in the trust agreement securing the revenue
17 bond, shall be set aside at regular intervals as may be provided for in the resolution or trust
18 agreement in a sinking or other similar fund which is pledged to, and charged with, the payment of
19 the principal of and the interest on the revenue bonds as the revenue bonds become due, and the
20 redemption price or the purchase price of bonds retired by call or purchase as provided in the
21 resolution or trust agreement. The pledge is valid and binding from the time when the pledge is
22 made; the rates, rents, fees, and charges and other revenue or other moneys pledged and thereafter
23 received by the corporation immediately subject to the lien of the pledge without any physical
24 delivery or further act, and the lien of the pledge valid and binding against all parties having claims
25 of any kind in tort, contract, or otherwise against the corporation, irrespective of whether the parties
26 have notice thereof. Neither the resolution nor any trust agreement, nor any other agreement, nor
27 any lease by which a pledge is created, need be filed or recorded except in the records of the
28 corporation. The use and disposition of moneys to the credit of a sinking or other similar fund are
29 subject to the provisions of the resolution authorizing the issuance of the bonds or of the trust
30 agreement. Except as may otherwise be provided in the resolution or the trust agreement, the
31 sinking or other similar fund may be a fund for all the bonds issued to finance projects, as a
32 particular ~~institution for higher education~~ [educational institution, municipality](#) or a particular health
33 care provider, without distinction or priority of one over another; provided, that the corporation in
34 the resolution or trust agreement may provide that the sinking or other similar fund is the fund for

1 a particular project at an ~~institution for higher education~~ educational institution, municipality or a
2 health care provider and for the bonds issued to finance a particular project, and may, additionally,
3 permit and provide for the issuance of bonds having a subordinate lien in respect of the security
4 authorized in this chapter to other bonds of the corporation and, in that case, the corporation may
5 create separate sinking or other similar funds in respect of the subordinate lien bonds.

6 (b) In connection with any education loan program, the corporation shall fix, revise, charge,
7 and collect fees, and is empowered to contract with any person, partnership, association, or
8 corporation, or other body, public or private, in this respect. Each agreement entered into by the
9 corporation with a participating ~~institution or institutions for higher education~~ educational
10 institutions shall provide that the fees and other amounts payable by the institution or institutions
11 with respect to any program or programs of the corporation are sufficient: (1) to pay its or their
12 share of the administrative costs and expenses of the program; (2) to pay the principal of, the
13 premium, if any, and the interest on outstanding bonds or notes of the corporation issued in respect
14 of the program to the extent that other revenues of the corporation pledged for the payment of the
15 bonds or notes are insufficient to pay the bonds or notes as they become due and payable; (3) to
16 create and maintain reserves which may, but need not be, required or provided for in the bond
17 resolution relating to the bonds or notes of the corporation; and (4) to establish and maintain
18 whatever education loan servicing, control, or audit procedures are deemed necessary to the
19 operations of the corporation.

20 (c) The corporation shall pledge the revenues from each program, as described in § 45-
21 38.1-9(d)(1), as security for the issue of bonds or notes relating to the program. The pledge is valid
22 and binding from the time when the pledge is made; the revenues so pledged by the corporation
23 shall immediately be subject to the lien of the pledge without any physical delivery or further act,
24 and the lien of the pledge is valid and binding against all parties having claims of any kind in tort,
25 contract, or otherwise against the corporation or any participating ~~institution for higher education~~
26 educational institution, whether the parties have notice. Neither the bond resolution nor any
27 financing statement, continuation statement, or other instrument by which a pledge or security
28 interest is created or by which the corporation's interest in revenues is assigned need be filed in any
29 public records in order to perfect the security interest or lien against third parties, except in the
30 records of the corporation. The use and disposition of monies to the credit of a sinking or other
31 similar fund are subject to the provisions of the resolution authorizing the issuance of the bonds or
32 notes or of the trust agreement. Except as provided in the resolution, or the trust agreement, the
33 sinking or other similar fund shall be a fund for all revenue bonds or notes issued to finance an
34 educational program or programs at one or more participating ~~institutions for higher education~~

1 [educational institutions](#), without distinction or priority of one over another; provided, that the
2 corporation in the resolution or trust agreement may provide that the sinking or other similar fund
3 is the fund for a particular educational program or programs at a participating institution or
4 ~~institutions for higher education~~ [educational institutions](#) and for the revenue bonds or notes issued
5 to finance a particular educational program or programs, and may, additionally, permit and provide
6 for the issuance of revenue bonds or notes having a subordinate lien in respect of the security
7 authorized in this chapter, to other revenue bonds or notes of the corporation and, in that case, the
8 corporation may create separate or other similar funds in respect of the subordinate lien bonds or
9 notes.

10 **45-38.1-19. State not liable.**

11 (a) Except with regard to state reimbursement related to school housing project financing,
12 the state is not liable for the payment of the principal of or interest on any bonds or notes of the
13 corporation, or for the performance of any pledge, mortgage, obligation, or agreement of any kind
14 whatsoever which may be undertaken by the corporation, and none of the bonds or notes of the
15 corporation nor any of its agreements or obligations, except for state reimbursement related to
16 school housing project financing, are construed to constitute an indebtedness of the state within the
17 meaning of any constitutional or statutory provision whatsoever, nor shall the issuance of bonds or
18 notes, under the provisions of this chapter, directly or indirectly or contingently obligate the state
19 or any municipality or political subdivision of the state to levy or to pledge any form of taxation
20 for them or to make any appropriation for their payment, except for state reimbursement for school
21 housing projects. All of the revenue bonds or notes shall contain on the face a statement to the
22 effect that neither the state nor the corporation are obligated to pay the revenue bonds or notes, or
23 their interest except from revenues of the project or projects for which they are issued, and that
24 neither the faith and credit nor the taxing power of the state or of any municipality or political
25 subdivision of the state is pledged to the payment of the principal of or the interest on those bonds
26 or notes; provided, however, that in connection with any state housing project financing, the
27 statement on the face of the bonds shall also include an exception for state reimbursement.

28 (b) Nothing contained in this section shall prevent nor be construed to prevent the
29 corporation from pledging its full faith and credit or the full faith and credit of a participating
30 ~~institution for higher education~~ [educational institution](#) or health care provider to the payment of
31 bonds or notes, or issue of bonds or notes authorized pursuant to this chapter.

32 **45-38.1-20. Procedure before issuance of bonds or notes.**

33 Notwithstanding any other provisions of this chapter, the corporation is not empowered to
34 undertake any project authorized by this chapter unless, prior to the issuance of any bonds or notes

1 under this chapter, it has determined that:

2 (1) The acquisition, construction, or financing of the cost of the project will:

3 (i) With respect to an ~~institution for higher education or child daycare center~~ educational
4 institution, enable or assist the institution to fulfill its obligations in providing education or ~~child~~
5 ~~daycare center~~ care to the youth of this state;

6 (ii) With respect to a healthcare provider, enable the healthcare provider to improve the
7 health of the people it serves by means of expanded health care, healthcare provider, and other
8 related services; or

9 (iii) With respect to a municipality, enable the municipality to improve the health or living
10 conditions or welfare of its residents by means of expanded access to public educational or public
11 recreational facilities;

12 (2) The project is leased to, or owned by, a financially responsible ~~institution for higher~~
13 ~~education or child daycare center~~ educational institution, ~~or~~ municipality or healthcare provider
14 within the state;

15 (3) Adequate provision has been, or will be, made for the payment of the cost of the
16 construction and/or acquisition of the project, and, except with regard to those bonds issued through
17 the corporation related to school housing project financing, that under no circumstances will the
18 state be obligated, directly or indirectly, for the payment of the cost of the construction and/or
19 acquisition of the project, or for the payment of the principal of, or interest on, any obligations
20 issued to finance the construction and/or acquisition; and

21 (4) Adequate provision has been, or will be made in any agreement with respect to or lease
22 of the project for payment of all costs of operation, maintenance, and upkeep of the project by the
23 lessee, sublessee, or occupant so that under no circumstances is the state obligated, directly or
24 indirectly, for the payment of the costs except with regard to state reimbursement for school
25 housing projects; provided, that no findings shall be made and no financing effected under this
26 chapter, with respect to healthcare providers, unless the proposed healthcare providers have first
27 been approved by any state agency empowered to approve the construction of any healthcare
28 providers in the manner provided in its general laws.

29 **45-38.1-25. ~~Institution for higher education powers~~ Educational institution powers.**

30 Notwithstanding any other provision of law, any participating ~~institution for higher~~
31 ~~education~~ educational institution has the power to borrow money from the corporation, make
32 education loans, and take all other actions and do those things that are necessary or convenient to
33 consummate the transactions contemplated under this chapter. It is lawful for the corporation to
34 establish, charge, contract for, and receive any amount or rate of interest or compensation with

1 respect to corporation loans or education loans, and it shall also be lawful, notwithstanding any
2 other provision of law, to make corporation loans or education loans at a rate of interest which may,
3 during the life of the loans, be varied or revised upon terms or conditions that may be established
4 by the corporation. It is also lawful for any institution of higher education to charge, contract for,
5 and receive any amount or rate of interest or compensation, including amounts or rates of interest
6 which may be varied or revised upon those terms or conditions that may be established by the
7 institution, with respect to education loans.

8 SECTION 2. This act shall take effect upon passage.

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LC001314/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES -- HEALTH AND EDUCATIONAL BUILDING
CORPORATION

1 This act would update the statutory terminology by replacing the phrase "institutions of
2 higher learning" with that of "educational institutions", and would redefine child daycare centers
3 as educational institutions.

4 This act would take effect upon passage.

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LC001314/SUB A
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