WEST VIRGINIA CODE CHAPTER 18C ARTICLE 2

WV Legislature

§18C-2-1. Purpose of provisions of article relating to guaranteed student loan program; loan program to be administered by senior administrator of governing boards.

The Legislature enacts the provisions of this article which relate to the establishment of the guaranteed student loan program to continue and encourage education of citizens of this state who are in need of financial assistance, such assistance and education being for the welfare of this state, and the Legislature hereby declares such to be a public purpose.

The guaranteed student loan program established and authorized by this article shall be administered by the senior administrator of the board of trustees and board of directors acting under their direction.

WV Legislature

§18C-2-2. "Act," "undertaking" and "obligations" defined.

As used in this article, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(a) The words "act" or "undertaking" shall mean the official act of the governing boards, or senior administrator acting under the direction of the boards, in connection with the acquisition or disposition of all or any part of obligations or interest therein which the governing boards are authorized to buy or sell hereunder.

(b) The word "obligations" shall mean those evidences of debt which the governing boards may buy, sell, endorse, or guarantee under the provisions of this article.

WV Legislature

§18C-2-3. Authority to buy and sell certain student obligations; undertakings not to constitute state debt; undertakings limited to available funds.

In order to facilitate the education of residents in this state and promote the industrial and economic development of the state, the governing boards are hereby authorized and empowered to buy and sell obligations of students who are residents of West Virginia, and who have been residents of this state for at least one year and are students or have been accepted as students at state supported or private institutions of higher education, or vocational schools accredited by a nationally recognized accrediting agency or by a state agency designated by the Governor and representing loans made to such students who have met the requirement of financial need as determined by the governing boards, such loans having been made for the purpose of an education.

No act or undertaking of the governing boards shall be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision, and shall be payable solely from the funds of the governing boards specifically appropriated for the guaranteed student loan program. All such acts and undertakings shall contain on the face thereof a statement to the effect that neither the state nor the governing boards shall be obligated to pay the same or the interest thereon except from revenues of the governing boards and that neither the faith and credit nor the taxing power of the state or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such acts and undertakings.

All expenses incurred in carrying out the provisions of this article dealing with the guaranteed student loan program shall be payable solely from funds provided for the purpose and no liability or obligation shall be incurred by the governing boards hereunder beyond the extent to which money shall have been provided under the applicable provisions of this article for the guaranteed student loan program.

WV Legislature

§18C-2-4. Powers and duties of senior administrator regarding loan program.

The senior administrator acting under direction of the governing boards is hereby authorized and empowered:

(1) To fix and revise from time to time and charge and collect fees for its acts and undertakings;

(2) To establish rules concerning the acts and undertakings;

(3) To acquire, hold and dispose of personal property in the exercise of its powers and the performance of its duties;

(4) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this article;

(5) To employ in its discretion such employees as it may deem necessary to carry out its powers and duties as enumerated in this article;

(6) To receive and accept from any federal or private agency, corporation, association or person, grants to be expended in accomplishing the objectives of this article and to receive and accept from the state, from any municipality, county or other political subdivision thereof and from any other source, aid or contributions of either money, property, or other things of value to be held, used and applied only for the purposes for which such grants and contributions may be made;

(7) To sue and be sued as provided by law;

(8) To do all other acts and things necessary or convenient to carry out the powers expressly granted by the provisions of this article which relate to the guaranteed student loan program. Nothing in this article shall be construed to empower the governing boards to engage in the business of banking or insurance.

WV Legislature

§18C-2-5. Title to property.

Title to any property acquired by the governing boards under the provisions of this article which relate to the guaranteed student loan program shall be taken and held in the name of the governing boards.

WV Legislature

§18C-2-6. Acquisition of contingent interests in obligations from lending institutions; collection of delinquent obligations.

With funds available to the governing boards for purposes other than the payment of compensation to personnel and the lease or rental of offices or equipment, the governing boards may acquire from any bank or other lending institution of this state a contingent interest in student obligations. The total contingent interest of the governing boards on all such obligations shall not exceed at any one time a sum of twelve and one-half times the total funds which the governing boards can employ to acquire such contingent interests. When a governing board acquires any such contingent interest, it may require the payment to it of a portion of the interest payable upon any such obligation. In each such acquisition, the governing board shall provide that at such time as the obligation becomes delinquent, the bank or other lending institution shall notify the governing board forthwith and shall transfer forthwith to the governing board, by assignment or otherwise, an interest in such obligation equal to the contingent interest of the governing board therein. The bank or other lending institution and the governing board shall forthwith take such steps as may be necessary to recover the balance due upon any such obligation, and such recovery shall be apportioned between the governing board and the bank or other lending institution as their respective interests may appear.

WV Legislature

§18C-2-7. Terms of acquisitions.

Each governing board shall prescribe the terms, conditions and limitations upon which it will acquire a contingent or direct interest in any obligation and such terms, conditions and limitations shall include, but without limiting the generality thereof, the terms for payment of principal and interest, applicable life or other insurance which may be required in connection with any such obligation and who shall pay the premiums thereon, the safekeeping of assets pledged to secure any such undertaking, and any and all matters in connection with the foregoing as will protect the assets of the governing board.

WV Legislature

§18C-2-8. Trust fund established; limitations on use of fund; duties of treasurer in connection therewith; special account created.

The appropriation made to the governing boards under the provisions of this article which relate to the guaranteed student loan program shall be used exclusively for the purpose of acquiring contingent or vested rights in obligations which it may acquire under this article, and such appropriation, payments, revenue and interest, as well as other income received in connection with such obligations, is hereby established as a trust fund. Such fund shall be used for the purposes of the governing boards other than for maintenance and operation.

The maintenance and operating expenses of the governing board shall be paid from funds specifically appropriated for such purposes. No part of the trust fund established under this section shall be expended for such purposes.

The governing board shall be the trustee of the trust fund hereby created, and all investments to be made from the assets of such trust shall be made by the state Treasurer in the manner provided by law. For the purposes of this article, there is hereby created in the treasury of this state a special revolving account for deposits and withdrawals as herein provided. The State Treasurer shall be the custodian of the assets of the board. All payments from the accounts thereof shall be made by the treasurer upon warrants issued by the Auditor and upon vouchers signed by such persons as are designated by the governing board. A duly attested copy of a resolution of the governing board designating such persons shall be filed with the state Treasurer as the authority for issuing warrants upon such vouchers.

WV Legislature

§18C-2-9. Construction of provisions of article relating to loan program.

The provisions of this article which relate to the guaranteed student loan program shall be liberally construed to the end that its beneficial purposes may be effectuated.

WV Legislature