WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1968

ENROLLED

HOUSE BILL No. 303

(By Mr. Speaker, Mr. White and Mr. Bowers)

PASSED February 7, 1968

In Effect July 1, 1968

FILLED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 2-16-68
ENROLLED

House Bill No. 303
(By Mr. Speaker, Mr. White, and Mr. Boiarsky)

[Passed February 7, 1968; in effect July 1, 1968.]

AN ACT to amend chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article twenty-two-a, relating to the guaranteed student loan program to provide financial assistance for students in higher education.

Be it enacted by the Legislature of West Virginia:

That chapter eighteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article twenty-two-a, to read as follows:
ARTICLE 22A. GUARANTEED STUDENT LOAN PROGRAM.

§18-22A-1. Title of article.

1 This article may be known and cited as the "Guaranteed
2 Student Loan Act of West Virginia."


1 As used in this article, the following words and terms
2 shall have the following meanings, unless the context
3 shall indicate another or different meaning or intent:
4 (a) The words "act" or "undertaking" shall mean
5 the official act of the commission in connection with
6 the acquisition or disposition of all or any part of obliga-
7 tions or interest therein which the commission is author-
8 ized to buy or sell hereunder.
9 (b) The word "commission" shall mean the state
10 commission on higher education created by article
11 twenty-two of this chapter.
12 (c) The word "obligations" shall mean those evi-
13 dences of debt which the commission may buy, sell, en-
14 dorse or guarantee under the provisions of this article.
§18-22A-3. Commission authority to buy and sell certain student obligations; undertakings of the commission limited to available funds.

1 In order to facilitate the education of residents in this state and promote the industrial and economic development of the state, the commission is hereby authorized and empowered to buy and sell obligations of students who are residents of West Virginia, who have been residents of this state for at least one year and who are 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 requirements of financial need as determined by the commission, such loans having been made for the purpose of an education.

14 No act or undertaking of the commission 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, but shall be payable solely from the funds of the commission. All such acts and undertakings shall con-
tain on the face thereof a statement to the effect that
neither the state nor the commission shall be obligated
to pay the same or the interest thereon except from
revenues of the commission 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 act and under-
takings.

All expenses incurred in carrying out the provisions
of this article shall be payable solely from funds pro-
vided for the purpose and no liability or obligation shall
be incurred by the commission hereunder beyond the
extent to which money shall have been provided under
the provisions of this article.


The commission 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 and regulations concerning its
acts and undertakings;

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

(4) To make and enter into all contracts and agree-
ments 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 in
28 this article. Nothing in this article shall be construed
to empower the commission to engage in the business
of banking or insurance.

§18-22A-5. Title to property.

1 Title to any property acquired under the provisions
of this article by the commission shall be taken and held
in the name of the commission.

§18-22A-6. Acquisition of contingent interests in obligations
from lending institutions; collection of delinquent
obligations.

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

§18-22A-7. Terms of acquisitions.

The commission 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 hereof, the interest rate payable upon such obligations, the maturities 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 commission.

§18-22A-8. Trust fund established; limitations on the use of the fund; duties of the treasurer in connection therewith.

The appropriation made to the commission under this article 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 commission other than maintenance and operation.

The maintenance and operating expenses of the commission 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 commission 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. The state treasurer shall be the custodian of the assets of the commission. All payments from the accounts thereof shall be made by him upon warrants issued by the auditor upon vouchers signed by such persons as are designated by the commission. A duly attested copy of a resolution of the commission designating such persons and bearing on its face the specimen signatures of such persons shall be filed with the state treasurer as his authority for issuing warrants upon such vouchers.


The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated.

§18-22A-10. Severability.

If any provision hereof or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications
of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are declared to be severable.


The Legislature enacts this article 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 Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

William Tongue
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect July 1, 1968.

Howard C. May
Clerk of the Senate

C. W. Blankenship
Clerk of the House of Delegates

Howard W. Carson
President of the Senate

H. Lee Metcalf
Speaker of the House of Delegates

The within approved this the 15
day of February, 1968.

Herbert C. Smith
Governor