

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1968



ENROLLED

HOUSE BILL No. 303

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



PASSED February 7, 1968

In Effect July 1, 1968 ~~Passage~~



FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE

THIS DATE 2-16-68

303

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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.”

§18-22A-2. Definitions.

- 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
2 this state and promote the industrial and economic
3 development of the state, the commission is hereby
4 authorized and empowered to buy and sell obligations
5 of students who are residents of West Virginia, who have
6 been residents of this state for at least one year and who
7 are students at state supported or private institutions of
8 higher education or vocational schools accredited by a
9 nationally recognized accrediting agency or by a state
10 agency designated by the governor and representing loans
11 made to such students who have met the requirements
12 of financial need as determined by the commission, such
13 loans having been made for the purpose of an education.

14 No act or undertaking of the commission shall be
15 deemed to constitute a debt of the state or of any
16 political subdivision thereof or a pledge of the faith
17 and credit of the state or of any such political subdivi-
18 sion, but shall be payable solely from the funds of the
19 commission. All such acts and undertakings shall con-

20 tain on the face thereof a statement to the effect that
21 neither the state nor the commission shall be obligated
22 to pay the same or the interest thereon except from
23 revenues of the commission and that neither the faith
24 and credit nor the taxing power of the state or of any
25 political subdivision thereof is pledged to the payment
26 of the principal of or the interest on such act and under-
27 takings.

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

§18-22A-4. Powers and duties of the commission.

- 1 The commission is hereby authorized and empowered:
- 2 (1) To fix and revise from time to time and charge
3 and collect fees for its acts and undertakings;
 - 4 (2) To establish rules and regulations concerning its
5 acts and undertakings;
 - 6 (3) To acquire, hold and dispose of personal prop-

7 erty in the exercise of its powers and the performance
8 of its duties;

9 (4) To make and enter into all contracts and agree-
10 ments necessary or incidental to the performance of its
11 duties and the execution of its powers under this
12 article;

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

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

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

26 (8) To do all other acts and things necessary or
27 convenient to carry out the powers expressly granted in

28 this article. Nothing in this article shall be construed
29 to empower the commission to engage in the business
30 of banking or insurance.

§18-22A-5. Title to property.

1 Title to any property acquired under the provisions
2 of this article by the commission shall be taken and held
3 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
2 other than the payment of compensation to personnel
3 and the lease or rental of offices or equipment, the
4 commission may acquire from any bank or other lending
5 institution of this state a contingent interest in student
6 obligations; the total contingent interest of the com-
7 mission on all such obligations shall not exceed at any
8 one time a sum of twelve and one-half times the total
9 funds which the commission can employ to acquire such
10 contingent interests. When the commission acquires
11 any such contingent interest, it may require the pay-
12 ment to it of a portion of the interest payable upon

13 any such obligation. In each such acquisition, the com-
14 mission shall provide that at such time as the obliga-
15 tion becomes delinquent, the bank or other lending
16 institution shall notify the commission forthwith and
17 shall transfer forthwith to the commission, by assign-
18 ment or otherwise, an interest in such obligation equal
19 to the contingent interest of the commission therein.
20 The bank or other lending institution and the commis-
21 sion shall forthwith take such steps as may be necessary
22 to recover the balance due upon any such obligation,
23 and such recovery shall be apportioned between the
24 commission and the bank or other lending institution
25 as their respective interests may appear.

§18-22A-7. Terms of acquisitions.

1 The commission shall prescribe the terms, conditions
2 and limitations upon which it will acquire a contingent
3 or direct interest in any obligation and such terms, con-
4 ditions and limitations shall include, but without limiting
5 the generality hereof, the interest rate payable upon
6 such obligations, the maturities thereof, the terms for
7 payment of principal and interest, applicable life or

8 other insurance which may be required in connection
9 with any such obligation and who shall pay the premiums
10 thereon, the safekeeping of assets pledged to secure
11 any such undertaking, and any and all matters in con-
12 nection with the foregoing as will protect the assets of
13 the commission.

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

1 The appropriation made to the commission under this
2 article shall be used exclusively for the purpose of ac-
3 quiring contingent or vested rights in obligations which
4 it may acquire under this article, and such appropria-
5 tion, payments, revenue and interest, as well as other
6 income received in connection with such obligations,
7 is hereby established as a trust fund. Such fund shall
8 be used for the purposes of the commission other than
9 maintenance and operation.

10 The maintenance and operating expenses of the com-
11 mission shall be paid from funds specifically appropriated
12 for such purposes. No part of the trust fund estab-
13 lished under this section shall be expended for such
14 purposes.

15 The commission shall be the trustee of the trust fund
16 hereby created and all investments to be made from
17 the assets of such trust shall be made by the state
18 treasurer in the manner provided by law. The state
19 treasurer shall be the custodian of the assets of the
20 commission. All payments from the accounts thereof
21 shall be made by him upon warrants issued by the auditor
22 upon vouchers signed by such persons as are designated
23 by the commission. A duly attested copy of a resolution
24 of the commission designating such persons and bearing
25 on its face the specimen signatures of such persons shall
26 be filed with the state treasurer as his authority for
27 issuing warrants upon such vouchers.

§18-22A-9. Construction of article.

1 The provisions of this article shall be liberally con-
2 strued to the end that its beneficial purposes may be
3 effectuated.

§18-22A-10. Severability.

1 If any provision hereof or the application thereof to
2 any person or circumstance is held invalid, such in-
3 validity shall not affect other provisions or applications

4 of this article which can be given effect without the
5 invalid provision or application, and to this end the pro-
6 visions of this article are declared to be severable.

§18-22A-11. Purpose.

1 The Legislature enacts this article to continue and en-
2 courage education of citizens of this state who are in need
3 of financial assistance, such assistance and education be-
4 ing for the welfare of this state, and the Legislature
5 hereby declares such to be a public purpose.

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

William Tamm
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect July 1, 1968.

Howard Tegen
Clerk of the Senate

Ch. Bluskensief
Clerk of the House of Delegates

Howard W. Carson
President of the Senate

A. Laban White
Speaker of the House of Delegates

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

Stewart C. Smith
Governor



PRESENTED TO THE
GOVERNOR

Date 2/12/68
Time 3:02 P.M.

RECEIVED

FEB 13 1 03 PM '68

OFFICE OF
SECRETARY OF STATE
STATE OF WEST VIRGINIA