

## CHAPTER 108

### HIGHER EDUCATION LOANS-STATE INVESTMENTS

Original House Bill No. 192

AN ACT relating to state investments; increasing amount of state funds which may be invested in higher education loans; and providing for an effective date.

*Be It Enacted by the Legislature of the State of Wyoming:*

**Section 1.** W.S. 9-4-701(f)(intro), 21-16-113 and 21-16-714(a) are amended to read:

**9-4-701. Permissible investments; treasurer's rules and regulations.**

(f) The state treasurer may invest and keep invested not to exceed ~~fifteen million dollars (\$15,000,000.00)~~ twenty-five million dollars (\$25,000,000.00) of any state permanent funds available for investment, excluding permanent funds allocated for joint powers loans, farm and ranch loans, water development loans and mortgages or loans under subsections (d) and (e) of this section, through the purchase of nondelinquent federally guaranteed or insured higher education loans from any nonprofit Wyoming corporation organized to acquire such loans or its agent, provided:

**21-16-113. Investment in insured, guaranteed or other higher education loans.**

The state treasurer with the approval of the governor and the advice of the attorney general may enter into standby commitment agreements for a commercially reasonable fee with any Wyoming nonprofit corporation organized to acquire guaranteed, or insured and other higher education loans in which the state of Wyoming will agree to purchase loans held by the nonprofit corporation at any time the corporation is unable to pay interest on or principal of any of its outstanding bonds on any regularly scheduled interest or principal payment date, or at maturity, whether by acceleration, redemption or otherwise. One (1) condition of the agreement shall be that the loan program is designed for statewide participation and benefits. If the commitment is incurred, the investment shall be made from the Wyoming permanent mineral trust fund or permanent land fund and, when combined with investments under W.S. 21-16-714, shall not exceed ~~one hundred twenty-five million dollars (\$125,000,000.00)~~ one hundred seventy-five million dollars (\$175,000,000.00). In case of sales of loans, the nonprofit corporation shall as consideration for the sale retain the responsibility for collection and procedural processing of the loans at its sole expense with the exception of the servicing fees set forth in the standby commitment agreement. In no case shall the state administer loans purchased from the

Wyoming nonprofit corporation. The portion of any payment reflecting a return of corpus shall be credited to the permanent mineral trust fund or permanent land fund and the balance of the payment shall be credited to the general fund or the permanent land income fund as applicable.

**21-16-714. Investment of state funds in insured, guaranteed or other higher education loans.**

(a) Subject to approval of the governor and advice of the attorney general, the state treasurer may enter into standby commitment agreements for a commercially reasonable fee with the authority under which the state agrees to purchase loans held by the authority at any time the authority is unable to pay interest on or principal of any of its outstanding obligations on any regularly scheduled interest or principal payment date, or at maturity, whether by acceleration, redemption or otherwise. One (1) condition of the agreement shall require the loan program to be designed for statewide participation and benefits. If the commitment is incurred, the investment shall be made from the Wyoming permanent mineral trust fund or permanent land fund, and investment under this article, when combined with investment made under W.S. 21-16-113, shall not exceed ~~one hundred twenty five million dollars (\$125,000,000.00)~~ one hundred seventy-five million dollars (\$175,000,000.00).

**Section 2.** This act is effective July 1, 1997.

Approved February 21, 1997.