

EXECUTIVE ORDER 93-7

CONFIRMING THE DESIGNATION OF ARIZONA EDUCATIONAL
LOAN MARKETING CORPORATION TO OPERATE AS AN
ARIZONA STUDENT LOAN ACQUISITION AGENCY AND
CONFIRMING THE DESIGNATION OF ARIZONA EDUCATIONAL
LOAN MARKETING CORPORATION AS THE SINGLE NONPROFIT
PRIVATE AGENCY DESIGNATED BY THE STATE OF ARIZONA
TO SERVE AS AN ELIGIBLE LENDER UNDER THE FEDERAL
HIGHER EDUCATION ACT

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OCT 24 1994

STATE DOCUMENTS

WHEREAS, pursuant to the provisions of Title IV, Part B, of the Federal Higher Education Act of 1965, as amended (the "Higher Education Act"), the United States Congress has provided for federal insurance of, or federal reimbursement of guaranty payments made on, student loans made pursuant to the Higher Education Act and for federal payment of interest and other subsidies on such loans; and

WHEREAS, the Higher Education Act provides for guaranty payments and federal payments of interest and other subsidies on such loans to be made only to "eligible lenders" as defined in the Higher Education Act, including, in any state, "a single nonprofit private agency designated by the State;" and

WHEREAS, the United States Congress has also provided through Section 150 (d) (formerly Section 103 (e) of the Internal Revenue Code ("Section 150 (d)"), procedures whereby nonprofit corporations may be requested by the State to acquire student loans originated under the Higher Education Act and be enabled to issue tax exempt qualified scholarship funding bonds to obtain funds for that purpose; and

WHEREAS, by Executive Order 82-4 of the Governor of the State of Arizona, Arizona Educational Loan Marketing Corporation (the "Corporation"), was designated and requested to provide an Arizona educational loan secondary market and warehousing facility and to obtain an "eligible lender" designation from the United States Department of Education as the private agency designated by the State of Arizona for that purpose; and

WHEREAS, based upon Executive Order 82-4, the Corporation entered into a contract with the United States Department of Education as an "eligible lender" in its own name as the single nonprofit private agency designated by the State of Arizona for that purpose, with the legal right and ability to request guaranty payments and federal payment of interest and other subsidies on loans owned by the Corporation directly, rather than being required to receive such payments indirectly by having loans held in the name of a financial institution serving as trustee; and

WHEREAS, continued qualification of the Corporation as the single nonprofit private agency designated by the State of Arizona to be an "eligible lender" under the Higher Education Act will benefit the State, will permit the Corporation to assure student access to education loans by direct lending, will avoid disruption of the Corporation's educational loan financing program and will facilitate the continuation of that program to the benefit of the State; and

WHEREAS, in my capacity as Chief Executive Officer of the State of Arizona, I desire to facilitate the continued provision of the best possible student loan and educational finance services in Arizona;

NOW, THEREFORE, pursuant to the authority vested in me as Governor and Chief Executive Officer of the State of Arizona, it is hereby ordered as follows:

1. The State of Arizona's designation of and request to Arizona Educational Loan Marketing Corporation to provide an Arizona student loan secondary market and warehousing facility and to acquire student loan notes incurred under the Higher Education Act pursuant to Section 150 (d) (formerly Section 103 (e)) of the Internal Revenue Code, as originally set forth in Executive Order 82-4, is hereby confirmed.
2. The designation of the Corporation as the single private nonprofit agency designated by the State of Arizona to be an "eligible lender" under the Higher Education Act, as originally set forth in Executive Order 82-4, is hereby confirmed.

IN WITNESS WHEREOF, I have hereunto
set my hand and caused to be affixed the
Great Seal of the State of Arizona.

GOVERNOR

DONE at the Capitol in Phoenix this
thirtieth day of March in the Year of Our
Lord One Thousand Nine Hundred and
Ninety-three and of the Independence of the
United States of America the Two Hundred
and Seventeenth.

ATTEST:

SECRETARY OF STATE