

2011 -- H 5154

LC00328

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO EDUCATION - THE RHODE ISLAND STUDENT LOAN AUTHORITY

Introduced By: Representatives Schadone, and Winfield

Date Introduced: January 27, 2011

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-62-4 of the General Laws in Chapter 16-62 entitled "The Rhode
2 Island Student Loan Authority" is hereby amended to read as follows:

3 **16-62-4. Creation.** -- (a) There is authorized, created, and established a public
4 corporation of the state having a legal existence distinct from the state and not constituting a
5 department of state government, which is a governmental agency and public instrumentality of
6 the state, to be known as the "Rhode Island student loan authority," with the powers that are set
7 forth in this chapter, for the purposes of financing education through the making, purchasing,
8 taking, acquiring, or lending against the security of, eligible loans and education loans and of
9 selling eligible loans and education loans made, taken, endorsed, acquired, or purchased by it to
10 governmental or private financial institutions.

11 (b) The exercise by the authority of the powers conferred by this chapter shall be deemed
12 and held to be the performance of an essential governmental function of the state for public
13 purposes. It is the intent of the general assembly by the passage of this chapter to vest in the
14 authority all powers, authority, rights, privileges, and titles which may be necessary to enable it to
15 accomplish the purposes set forth in this chapter, and this chapter and the powers granted by it
16 shall be liberally construed in conformity with those purposes.

17 (c) The authority and its corporate existence shall continue until terminated by law or
18 until the authority shall cease entirely and continuously to conduct or be involved in any business
19 in furtherance of its purposes, provided that no termination shall take effect so long as the

1 authority shall have bonds, notes, or other obligations outstanding, unless adequate provision
2 shall have been made for their payment pursuant to the documents securing the bonds, notes, or
3 other obligations or to the law. Upon termination of the existence of the authority, all its rights
4 and properties shall pass to and be vested in the state. At no time shall the assets or other property
5 of the authority inure to the benefit of any person or other corporation or entity.

6 (d) The Rhode Island Student Loan Authority (RISLA) is hereby directed to sell its
7 federal student loan portfolio to any interested party offering the best price. The revenue
8 generated from this sale will be directed to the state's general fund.

9 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO EDUCATION - THE RHODE ISLAND STUDENT LOAN AUTHORITY

1 This act would require the Rhode Island Student Loan Authority (RISLA) to sell its
2 federal student loan portfolio to any interested party offering the best price. The revenue
3 generated from this sale would be directed to the state's general fund.

4 This act would take effect upon passage.

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