

"AN ACT TO CLARIFY THE STATUS OF THE STUDENT LOAN GUARANTEE FOUNDATION OF ARKANSAS; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Act 27 of the First Extraordinary Session of 1968 recognized and confirmed the Student Loan Guarantee Foundation of Arkansas, a private nonprofit corporation, as the agency in this State to administer the student loan provisions of federal law. The Student Loan Guarantee Foundation was recognized as the agency "in" this State to administer the student loan laws, but that did not result in the Student Loan Guarantee Foundation being made an agency "of" this State. The Student Loan Guarantee Foundation of Arkansas is not a State agency, and therefore is not subject to the Arkansas Purchasing Law, the Arkansas Administrative Procedure Act, or other enactments of the Arkansas General Assembly which are applicable to State agencies. Therefore, the Student Loan Guarantee Foundation is not required to deposit into the State Treasury any federal funds or other funds received by it. The Foundation is not subject to audit by the Legislative Joint Auditing Committee but shall, at least annually, contract for an audit by a certified public accountant and transmit a copy of the audit to the Legislative Joint Auditing Committee.

SECTION 2. All assets held by the Student Loan Guarantee Foundation of Arkansas by virtue of the transfer of assets of the Student Loan Board by Act 26 of the First Extraordinary Session of 1968 shall be transmitted to the State Treasurer within sixty (60) days after the effective date of this Act to be deposited as special revenues into the "76th Session Transfer Fund."

SECTION 3. There shall be no greater statute of limitations defense available to a borrower who has defaulted on a loan guaranteed by the Student Loan Guarantee Foundation of Arkansas than would be available had the borrower defaulted on an obligation to the State of Arkansas.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

APPROVED: 4/2/87

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