



Ohio Revised Code

Section 3351.07 Designation of private agency secondary market operation.

Effective: October 16, 2009

Legislation: House Bill 1 - 128th General Assembly

(A) For the purposes of this chapter, "approved lender" means any bank as defined in section 1101.01 of the Revised Code, any domestic savings and loan association as defined in section 1151.01 of the Revised Code, any credit union as defined in section 1733.01 of the Revised Code, any federal credit union established pursuant to federal law, any insurance company organized or authorized to do business in this state, any pension fund eligible under the "Higher Education Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as amended, the secondary market operation designated under division (B) of this section, or any secondary market operation established pursuant to the "Education Amendments of 1972," 86 Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of any state.

(B) The governor may designate one nonprofit corporation secondary market operation to be the single nonprofit private agency designated by the state under the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. A designation in effect on the effective date of this amendment expires December 31, 2009. Each designation after the effective date of this amendment shall be made by competitive selection and shall be valid for one year. The controlling board shall not waive the competitive selection requirement.

(C) The nonprofit corporation designated by the governor under division (B) of this section as the private agency secondary market operation shall be considered to be an agency of the state, in accordance with section 435(d)(1)(F) of the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(F), as amended, exclusively for the purpose of functioning as a secondary student loan market. The corporation shall be considered a state agency only for the purposes of this division and no other division or section of the Revised Code regarding state agencies shall apply to the corporation. No liability or obligation incurred by the corporation shall be considered to be a liability or debt of the state, nor shall the state be construed to act as guarantor of any debt of the corporation.

(D) The nonprofit corporation designated under division (B) of this section shall designate a



separate nonprofit corporation to operate exclusively for charitable and educational purposes, complementing and supplementing the designating corporation's secondary market operation for student loans authorized under the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the general health and welfare of the state, the public interest, and a public purpose through improving student assistance programs by expanding access to higher education financing programs for students and families in need of student financial aid. In furtherance of such purposes, the separate nonprofit corporation may do all of the following:

- (1) Assist educational institutions in establishing financial aid programs to help students obtain an economical education;
- (2) Encourage financial institutions to increase educational opportunities by making funds available to both students and educational institutions;
- (3) Make available financial aid that supplements the financial assistance provided by eligible and approved lenders under state and federal programs;
- (4) Develop and administer programs that do all of the following:
 - (a) Provide financial aid and incidental student financial aid information to students and their parents or other persons responsible for paying educational costs of those students at educational institutions;
 - (b) Provide financial aid and information relating to it to and through educational institutions, enabling those institutions to assist students financially in obtaining an education and fully expanding their intellectual capacity and skills;
 - (c) Better enable financial institutions to participate in student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility.
- (E) The nonprofit corporation designated under authority of division (D) of this section shall do both of the following:



- (1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs;
- (2) Provide the governor a report of its programs and a copy of its audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation.

No liability, obligation, or debt incurred by the corporation designated under authority of division (D) of this section or by any person under that corporation's programs shall be, or be considered to be, a liability, obligation, or debt of, or a pledge of the faith and credit of, the state, any political subdivision of the state, or any state-supported or state-assisted institution of higher education, nor shall the state or any political subdivision of the state or any state-supported or state-assisted institution of higher education be or be construed to act as an obligor under or guarantor of any liability, obligation, or debt of that corporation or of any person under that corporation's programs or incur or be construed to have incurred any other liability, obligation, or debt as a result of any acts of the corporation.

(F) The nonprofit corporation designated under authority of division (D) of this section shall not be deemed to qualify by reason of the designation as a guarantor or an eligible lender under sections 435(d) and (j) of the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as amended.