

261A.7 Duties of authority.

The authority shall:

1. Adopt rules for the regulation of its affairs and the conduct of its business.
2. Adopt an official seal and alter the seal at pleasure.
3. Maintain an office at a place or places it designates.
4. Establish criteria for and guidelines encompassing the types of and qualifications for education loan financing programs. The authority may issue obligations for the purpose of making authority loans to institutions participating in a program of the authority for the purpose of providing education loans. The criteria and guidelines established by the authority for its education loan financing programs include eligibility standards for borrowers the authority determines are necessary or desirable in order to effectuate the purposes of this chapter, including the following:
 - a. Each student shall have a certificate of admission or enrollment at a specific participating institution.
 - b. Each student or the student's parents shall satisfy financial qualifications the authority establishes to effectuate the purposes of this chapter.
 - c. Each student and the student's parents shall submit information required by the authority to the applicable institution.

The authority may contract with financial institutions and other qualified loan origination and servicing organizations, which shall assist in prequalifying borrowers for education loans and which shall service and administer each education loan and each institution's respective loan series portfolio. Each education loan's fees shall include a portion, if necessary, to cover the applicable pro rata cost of a servicing organization.

The authority may establish criteria governing the eligibility of institutions to participate in its programs, the making of authority loans and education loans, provisions for default, the establishment of default reserve funds, the purchase of default insurance, the provision of prudent debt service reserves, and the furnishing by participating institutions of higher education of additional guarantees of the education loans, authority loans, or obligations that the authority determines necessary. Criteria shall be established to assure the marketability of the obligations and the adequacy of the security for the obligations.

The authority shall establish limitations upon the principal amounts and the terms of education loans, criteria regarding the qualifications and characteristics of borrowers and procedures for allocating authority loans among institutions eligible for its program in order to effectuate the purposes of this chapter.

5. Issue obligations for its corporate purposes and fund or refund the obligations as provided in this chapter.
6. Fix and revise from time to time and charge and collect rates, fees, and charges for the services furnished or to be furnished by the authority, and contract with persons in respect to the services, including financial institutions, loan originators, servicers, administrators, issuers of letters of credit, and insurers.
7. Establish rules under chapter 17A with respect to authority loans, education loans, and education loan series portfolios.
8. Receive and accept from any source, loans, contributions or grants for or in aid of an authority education loan financing program or any portion of a program and, when required, use the funds, property, or labor only for the purposes for which it was loaned, contributed, or granted.

9. Make authority loans to institutions and require that the proceeds of the authority loans be used for making education loans and paying costs and fees in connection with the education loans.
10. Charge to and apportion among participating institutions its administrative and operating costs and expenses incurred in the exercise of its powers and duties.
11. Borrow working capital funds and other funds as necessary for start-up and continuing operations, provided that the funds are borrowed in the name of the authority only. Borrowings are limited obligations of the character described in section 261A.12 and are payable solely from revenues of the authority or the proceeds of obligations pledged for that purpose.
12. Notwithstanding other provisions in this chapter, commingle and pledge as security for a series or issue of obligations, with the consent of all of the institutions which are participating in the series or issue, the education loan series portfolios and some or all future education loan series portfolios of the institutions, and the loan funding deposits of the institutions. However, the education loan series portfolios and other security and moneys set aside in a fund or funds pledged for a series or issue of obligations shall be held for the sole benefit of the series or issue separate and apart from education loan series portfolios and other security and moneys pledged for any other series or issue of obligations. Obligations may be issued in series under one or more resolutions or trust agreements in the discretion of the authority.
13. Examine records and financial reports of participating institutions, and examine records and financial reports of a contractor organization or institution retained by the authority.
14. Require that authority loans be used solely to make education loans. The authority shall require that institutions require that each borrower under an education loan use the proceeds solely for the cost of attendance and that each borrower certify as to the use of the proceeds.
15. Authorize its officers, agents, and employees to take any other action and do all things necessary or desirable in order to carry out the purposes of this chapter.

[82 Acts, ch 1031, § 7]