

261.38 Agency operating account.

1. The commission shall establish an agency operating account as authorized by the federal Higher Education Act of 1965. The commission shall credit to the agency operating account all moneys provided for the state student loan program by the United States, the state of Iowa, or any of their agencies, departments, or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. The commission may expend moneys in the agency operating account as authorized by the federal Higher Education Act of 1965.

2. Notwithstanding [section 8.33](#), funds on deposit in the agency operating account shall not revert to the state general fund at the close of any fiscal year.

3. The treasurer of state shall invest any funds in the agency operating account, and, notwithstanding [section 12C.7](#), the interest income earned shall be credited back to the agency operating account.

4. a. The commission may enter into agreements with the Iowa student loan liquidity corporation in order to increase access for students to education loan programs that the commission determines meet the education needs of Iowa residents. The agreements shall permit the establishment, funding, and operation of alternative education loan programs, as described in section 144(b)(1)(B) of the Internal Revenue Code of 1986 as amended, as defined in [section 422.3](#), in addition to programs permitted under the federal Higher Education Act of 1965. In accordance with those agreements, the Iowa student loan liquidity corporation may issue bonds, notes, or other obligations to the public and others for the purpose of funding the alternative education loan programs. This authority to issue bonds, notes, or other obligations shall be in addition to the authority established in the articles of incorporation and bylaws of the Iowa student loan liquidity corporation.

b. Bonds, notes, or other obligations issued by the Iowa student loan liquidity corporation are not an obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the Iowa student loan liquidity corporation, and the corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any of the moneys except those of the corporation.

[C71, 73, 75, 77, §261.5, 261.8; C79, 81, §261.38]

[86 Acts, ch 1246, §26, 27; 89 Acts, ch 300, §7; 90 Acts, ch 1253, §122; 91 Acts, ch 180, §4, 5; 92 Acts, ch 1246, §31; 99 Acts, ch 205, §33 – 37; 2010 Acts, ch 1061, §180; 2014 Acts, ch 1061, §5, 6](#)

Subsection 1 amended

Subsection 2 stricken and former subsections 3 and 4 amended and renumbered as 2 and 3

Former subsection 5 renumbered as 4