

# Senate Study Bill 3073

## Bill Text

PAG LIN

1 1 Section 1. NEW SECTION. 261.43A SECURITY INTEREST IN  
1 2 EDUCATION LOANS.  
1 3 A nonprofit organization qualifying for tax-exempt status  
1 4 under the Internal Revenue Code, as defined in section 422.3,  
1 5 that provides or acquires education loans in the  
1 6 organization's normal course of business shall,  
1 7 notwithstanding any contrary provision of chapter 554 or other  
1 8 state law, establish and perfect a security interest and  
1 9 establish priority over other security interests in such  
1 10 education loans by filing in the same manner as provided for  
1 11 perfecting a security interest in a student loan pursuant to  
1 12 20 U.S.C. } 1087-2(d)(3). This section applies to education  
1 13 loans provided under this chapter by such nonprofit  
1 14 organizations and other education loans provided by such  
1 15 nonprofit organizations.

1 16 EXPLANATION

1 17 This bill authorizes a tax-exempt nonprofit organization  
1 18 that provides or acquires education loans to establish and  
1 19 perfect a security interest and priority over other security  
1 20 interests in the loans, notwithstanding any contrary provision  
1 21 of the uniform commercial code contained in Code chapter 554  
1 22 or other state law, in the same manner as provided for  
1 23 perfecting a security interest in a student loan pursuant to  
1 24 20 U.S.C. } 1087-2(d)(3). That federal provision provides,  
1 25 among other methods, for perfection of a security interest by  
1 26 the filing of notice of the security interest. The bill  
1 27 provides that the security interest may be established and  
1 28 perfected for any education loan provided by the organization,  
1 29 including such loans provided under Code chapter 261.

1 30 LSB 5711XC 79

1 31 rn/pj/5