

## LEGISLATIVE BILL 5

Approved by the Governor February 14, 1995

Introduced by Executive Board: Hall, 7, Chairperson

AN ACT relating to the Nebraska Educational Finance Authority Act; to amend sections 79-2901 to 79-2909, 79-2910 to 79-2959, and 79-2961 to 79-2964, Reissue Revised Statutes of Nebraska; to transfer sections; to harmonize provisions; and to repeal the original sections.  
Be it enacted by the people of the State of Nebraska,

Section 1. Section 79-2901, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2901-~~ The Legislature finds and declares that:

(1) For the benefit of the people of the State of Nebraska, the increase of their commerce, welfare, and prosperity, and the improvement of their health and living conditions, it is essential that this and future generations of youth be given the greatest opportunity to learn and to fully develop their intellectual and mental capacities and skills;

(2) To achieve these ends it is of the utmost importance that private institutions of higher education within the state be provided with appropriate additional means of assisting such youth in achieving the required levels of learning and development of their intellectual and mental capacities and skills;

(3) It is the purpose of the Nebraska Educational Finance Authority Act to provide a measure of assistance and an alternative method of enabling private institutions of higher education in the state to finance the acquisition, construction, and renovation of needed educational facilities and structures and to refund, refinance, or reimburse outstanding indebtedness incurred by them or advances made by them, including advances from an endowment or any other similar fund, for the construction, acquisition, or renovation of needed educational facilities and structures, whether or not constructed, acquired, or renovated prior to August 30, 1981;

(4) The financing and refinancing of educational facilities, through means other than the appropriation of public funds to private institutions of higher education, as described in the act, is a valid public purpose;

(5) The availability of improved access to health profession schools will benefit the people of the State of Nebraska and improve their health, welfare, and living conditions;

(6) The establishment of a health education loan program, with the proceeds of bonds to be used for the purchase or making of loans to students or certain former students of health profession schools, will improve the access to such schools and assist such persons in meeting the expenses incurred in availing themselves of health education opportunities; and

(7) The establishment of a program to assist private institutions of higher education to provide loans to their full-time students pursuing an academic degree will improve access to higher education and contribute to the health, welfare, and living conditions in Nebraska.

Sec. 2. Section 79-2902, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2902-~~ Sections ~~79-2901 to 79-2964~~ 1 to 63 of this act shall be known and may be cited as the Nebraska Educational Finance Authority Act.

Sec. 3. Section 79-2903, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2903-~~ For purposes of the Nebraska Educational Finance Authority Act, unless the context otherwise requires, the definitions found in sections ~~79-2904 to 79-2909~~ 4 to 9 of this act shall apply.

Sec. 4. Section 79-2904, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2904-~~ Authority shall mean the Nebraska Educational Finance Authority created by the Nebraska Educational Finance Authority Act or any board, body, commission, department, or office succeeding to the principal functions thereof or to whom the powers conferred upon such authority by the act are given by law.

Sec. 5. Section 79-2908, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2908-~~ Bonds shall mean bonds, notes, or other obligations of the authority issued under the Nebraska Educational Finance Authority Act, including refunding bonds, notwithstanding that the same may be secured by the full faith and credit of a private institution of higher education or any

other lawfully pledged security of a private institution of higher education.

Sec. 6. Section 79-2907, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2907-~~ Cost as applied to a project or any portion thereof financed under the Nebraska Educational Finance Authority Act shall mean all or any part of the cost of construction and acquisition of all land, buildings, or structures including the cost of machinery and equipment; finance charges; interest prior to, during, and after completion of such construction for a reasonable period as determined by the authority; reserves for principal and interest; extensions, enlargements, additions, replacements, renovations, and improvements; engineering, financial, and legal services; plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing the project; and such other expenses as the authority determines may be necessary or incidental to the construction and acquisition of the project, the financing of such construction and acquisition, and the placing of the project in operation.

Sec. 7. Section 79-2909, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2909-~~ Private institution of higher education shall mean a not-for-profit educational institution located within this state which is not owned or controlled by the state or any political subdivision, agency, instrumentality, district, or municipality thereof, which is authorized by law to provide a program of education beyond the high school level, and which:

(1) Admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) Provides an educational program for which it awards a bachelor's degree; provides an educational program, admission into which is conditioned upon the prior attainment of a bachelor's degree or its equivalent, for which it awards a postgraduate degree; provides a program of not less than two years in length which is acceptable for full credit toward a bachelor's degree; or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, research, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(3) Is accredited by a regionally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited; and

(4) Does not discriminate in the admission of students on the basis of race, color, creed, national origin, ancestry, age, sex, or handicap.

Sec. 8. Section 79-2905, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2905-~~ (1) Project shall mean any property located within the state, constructed or acquired before or after August 30, 1981, that may be used or will be useful in connection with the instruction, feeding, recreation, or housing of students, the conducting of research, administration, or other work of a private institution of higher education, or any combination of the foregoing. Project shall include, but not be limited to, an academic facility, administrative facility, agricultural facility, assembly hall, athletic facility, auditorium, campus, communication facility, exhibition hall, housing for faculty and other staff, instructional facility, laboratory, library, maintenance facility, ~~student health facility~~, museum, offices, parking area, physical educational facility, recreational facility, research facility, stadium, storage facility, ~~student facility~~, ~~student health facility~~, student housing, student union, ~~student facility~~, theatre, or utility facility.

(2) Project shall also mean and include the refunding or refinancing of outstanding obligations, mortgages, or advances, including advances from an endowment or similar fund, originally issued, made, or given by such private institution of higher education to finance the cost of a project or projects whenever the authority finds that such refunding or refinancing is in the public interest and either:

(a) Alleviates a financial hardship upon the private institution of higher education;

(b) Results in a lesser cost of education to its students; or

(c) Enables the private institution of higher education to offer greater security for the financing of a new project or projects or to effect savings in interest costs or more favorable amortization terms.

Sec. 9. Section 79-2906, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2906-~~ Property shall mean the real estate upon which a project is or will be located, including equipment, machinery, and other similar items necessary or convenient for the operation of the project in the manner for which its use is intended, but not including such items as fuel, supplies, or other items that are customarily deemed to result in a current operation charge. Property shall not include any property used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship nor any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis, or other professional persons in the field of religion.

Sec. 10. Section 79-2910, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2910-~~ There is hereby created a body politic and corporate to be known as the Nebraska Educational Finance Authority. The authority is constituted a public instrumentality, and the exercise by the authority of the powers conferred by the Nebraska Educational Finance Authority Act shall be deemed and held to be the performance of an essential public function of the state.

Sec. 11. Section 79-2911, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2911-~~ The authority shall consist of seven members, to be appointed by the Governor, who shall be residents of the state, not more than four of whom shall be members of the same political party. At least one of the members shall be a trustee, director, officer, or employee of one or more private institutions of higher education in the state. At least one shall be a person having a favorable reputation for skill, knowledge, and experience in the field of finance. At least one shall be a person experienced in and having a favorable reputation for skill, knowledge, and experience in the educational building construction field. At least one shall be a person experienced in and having a favorable reputation in the field of public accounting. The members of the authority first appointed shall serve for terms expiring as follows: One on December 31, 1982; two on December 31, 1983; two on December 31, 1984; and two on December 31, 1985, respectively, the term of each such member to be designated by the Governor. Upon the expiration of the term of any member, his or her successor shall be appointed for a term of four years and until his or her a successor has been appointed and qualified. The Governor shall fill any vacancy for the remainder of the unexpired term. Any member of the authority may be removed by the Governor for misfeasance, malfeasance, or willful neglect of duty or other cause after notice and a public hearing unless such notice and hearing shall be expressly waived in writing by the accused member. Each member shall be eligible for reappointment to a successive term but shall be declared ineligible for three consecutive full terms.

Sec. 12. Section 79-2912, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2912-~~ The Governor shall designate one of the members representing the private institutions of higher education to convene the organizational meeting of the authority and to serve as its temporary chairperson. At that meeting and annually thereafter, the authority shall elect one of its members as chairperson and another member as vice-chairperson. It may appoint an executive director and assistant executive director, who shall not be members of the authority but who shall serve at the pleasure of the authority. An assistant executive director shall perform the duties of the executive director in the event of the absence or inability to act of the executive director. They shall receive such compensation as shall be fixed by the authority. The authority may receive contributions to fund any of the expenses of the authority from private donors, including any one or more of the private institutions of higher education or an association representing the private institutions of higher education.

Sec. 13. Section 79-2913, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2913-~~ The executive director, assistant executive director, or any other person designated by resolution of the authority shall keep records and accounts of all proceedings and financial dealings of the authority, shall be custodian of all books, documents, and papers filed with the authority, the minute book or journal of the authority, and its official seal, and shall be custodian of all funds of the authority. The executive director, assistant executive director, or other designated person may cause copies to be made of

all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Sec. 14. Section 79-2914, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2914-~~ Four members of the authority shall constitute a quorum. The affirmative vote of a majority of all of the members of the authority shall be necessary for any action taken by the authority. A vacancy in the membership of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under the Nebraska Educational Finance Authority Act may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted.

Sec. 15. Section 79-2915, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2915-~~ Before the issuance of any bonds under the Nebraska Educational Finance Authority Act, the chairperson, vice-chairperson, executive director, and assistant executive director, if any, and any other member of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall execute a surety bond in such amount as a majority of the members of the authority determine, or alternatively, the chairperson of the authority shall execute a blanket bond effecting such coverage. Each surety bond shall be conditioned upon the faithful performance of the duties of the office or offices covered and shall be executed by a surety company authorized to transact business in this state, and the cost of each such surety bond shall be paid by the authority.

Sec. 16. Section 79-2916, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2916-~~ The members of the authority shall receive no compensation for the performance of their duties as members, but each such member shall be paid his or her actual and necessary expenses while engaged in the performance of such duties as provided in sections 81-1174 to 81-1177 for state employees from any funds legally available therefor.

Sec. 17. Section 79-2917, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2917-~~ Notwithstanding any other law to the contrary, it shall not be or constitute a conflict of interest for a trustee, director, officer, or employee of any educational institution, financial institution, commercial bank or trust company, architecture firm, insurance company, or any firm, person, or corporation to serve as a member of the authority, but such trustee, director, officer, or employee shall abstain from any deliberation or action by the authority when the business affiliation of any such trustee, director, officer, or employee is involved. The executive director may serve less than full time. If the executive director serves less than full time, his or her other employment, if any, shall be reviewed by the members of the authority for potential conflicts of interest and whether such other employment would prevent the executive director from fully discharging his or her duties. No member of the authority may be a representative of a bank, investment banking firm, or other financial institution that underwrites the bonds of the authority.

Sec. 18. Section 79-2918, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2918-~~ The purpose of the authority shall be to assist private institutions of higher education in the constructing, financing, and refinancing of projects and to administer and operate the Nebraska Health Education Assistance Loan Program as provided in sections 79-2954 to 79-2959 54 to 59 of this act and the Nebraska Student Loan Assistance Program as provided in sections 79-2961 to 79-2963 60 to 62 of this act.

Sec. 19. Section 79-2919, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2919-~~ The authority shall have perpetual succession as a body politic and corporate and may adopt bylaws for the regulation of its affairs and the conduct of its business.

Sec. 20. Section 79-2920, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2920-~~ The authority may adopt an official seal and alter the same at its pleasure.

Sec. 21. Section 79-2921, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2921-~~ The authority may maintain an office at such place or places within Nebraska as it may designate.

Sec. 22. Section 79-2922, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2922-~~ The authority may sue and be sued in its own name.

Sec. 23. Section 79-2923, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2923-~~ The authority may determine the location and character of any project to be financed or refinanced under the Nebraska Educational Finance Authority Act and construct, reconstruct, remodel, renovate, replace, maintain, repair, operate, lease as lessee or lessor, and regulate the same. The authority may also enter into contracts for any or all of such purposes, enter into contracts for the management and operation of a project, and designate a private institution of higher education as its agent to determine the location and character of a project undertaken by such private institution of higher education under the act and as the agent of the authority, to construct, reconstruct, remodel, renovate, replace, maintain, repair, operate, lease as lessee or lessor, and regulate the same and, as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

Sec. 24. Section 79-2924, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2924-~~ The authority may issue bonds of the authority for any of its corporate purposes and fund or refund the same pursuant to the Nebraska Educational Finance Authority Act.

Sec. 25. Section 79-2925, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2925-~~ The authority may charge and collect rates, rents, fees, and other charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and contract with any person, partnership, limited liability company, association, or corporation or other body public or private, except that the authority shall have no jurisdiction over rates, rents, fees, and charges established by a private institution of higher education for its students other than to require that such rates, rents, fees, and charges by such institution be sufficient to discharge such institution's obligation to the authority.

Sec. 26. Section 79-2926, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2926-~~ The authority may establish rules and regulations for the use of a project or any portion thereof and designate a private institution of higher education as its agent to establish rules and regulations for the use of a project undertaken by such private institution of higher education.

Sec. 27. Section 79-2927, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2927-~~ The authority may employ consulting engineers, architects, attorneys, accountants, trustees, construction and finance experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and fix their compensation.

Sec. 28. Section 79-2928, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2928-~~ The authority may receive and accept from any source loans or grants for or in aid of the construction of a project or any portion thereof, and receive and accept from any source loans, grants, aid, or contributions ~~from any source~~ of money, property, labor, or other things of value, to be held, used, and applied only for the purpose for which such loans, grants, aid, or contributions are made.

Sec. 29. Section 79-2929, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2929-~~ The authority may mortgage all or any portion of any project or any other facilities conveyed to the authority for such purpose and the site or sites thereof, whether presently owned or subsequently acquired, for the benefit of the holders of the bonds of the authority issued to finance such project or any portion thereof or issued to refund or refinance outstanding indebtedness or to reimburse an endowment or any similar fund of a private institution of higher education as permitted by the Nebraska Educational Finance Authority Act.

Sec. 30. Section 79-2930, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2930-~~ The authority may make loans to any private institution of higher education for the cost of any project in accordance with an agreement between the authority and such private institution of higher education, except that no such loan shall exceed the total cost of such project as determined by such private institution of higher education and approved by the authority.

Sec. 31. Section 79-2931, Reissue Revised Statutes of Nebraska, is

amended to read:

~~79-2931-~~ The authority may make loans to a private institution of higher education and refund or reimburse outstanding obligations, mortgages, or advances, including advances from an endowment or any similar fund, issued, made, or given by such private institution of higher education, whether before or after August 30, 1981, for the cost of a project, including the power to issue bonds and make loans to a private institution of higher education to refinance indebtedness incurred or to reimburse advances made for projects undertaken prior thereto whenever the authority finds that such financing is in the public interest, and either: (1) Alleviates a financial hardship upon the private institution of higher education, (2) results in a lesser cost of education, or (3) enables the private institution of higher education to offer greater security for a loan or loans to finance a new project or projects or to effect savings in interest costs or more favorable amortization terms.

Sec. 32. Section 79-2932, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2932-~~ The authority may charge to and equitably apportion among participating private institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by the Nebraska Educational Finance Authority Act.

Sec. 33. Section 79-2933, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2933-~~ The authority may do all things necessary or convenient to carry out the purposes of the Nebraska Educational Finance Authority Act.

In carrying out the purposes of the act, the authority may undertake a project for two or more private institutions of higher education jointly, or for any combination thereof, and thereupon all other provisions of the act shall apply to and be for the benefit of the authority and such joint participants.

Sec. 34. Section 79-2934, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2934-~~ Notwithstanding any other provision contained in the Nebraska Educational Finance Authority Act, the authority may combine for financing purposes, with the consent of all of the private institutions of higher education which are involved, the project or projects and some or all future projects of any private institution or private institutions of higher education, but the money set aside in any fund or funds pledged for any series or issue of bonds shall be held for the sole benefit of such series or issue separate and apart from any money pledged for any other series or issue of bonds of the authority. To facilitate the combining of projects, bonds may be issued in series under one or more resolutions or trust agreements and be fully open end, thus providing for the unlimited issuance of additional series, or partially open end, limited as to additional series, all in the discretion of the authority. Notwithstanding any other provision of the act to the contrary, the authority may, in its discretion, permit a private institution of higher education to substitute one or more projects of equal value, as determined by an independent appraiser satisfactory to the authority, for any project financed under the act on such terms and subject to such conditions as the authority may prescribe.

Sec. 35. Section 79-2935, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2935-~~ All expenses incurred in carrying out the Nebraska Educational Finance Authority Act shall be payable solely from funds provided under the act, and no liability or obligation shall be incurred by the authority beyond the extent to which money has been provided under the act.

Sec. 36. Section 79-2936, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2936-~~ The authority is authorized and empowered, directly or by and through a private institution of higher education, as its agent, to acquire by purchase, gift, or devise, such lands, structures, property, real or personal, rights, rights-of-way, franchises, easements, and other interests in lands, and including existing facilities of a private institution of higher education, as it may deem necessary or convenient for the construction, acquisition, or operation of a project, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between the authority and the owner thereof, and to take title thereto in the name of the authority or in the name of a private institution of higher education as its agent.

Sec. 37. Section 79-2937, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2937-~~ When the principal of and interest on bonds of the authority issued to finance the cost of a particular project or projects for a

private institution of higher education, including any refunding bonds issued to refund and refinance such bonds, have been fully paid and retired or when adequate provision has been made to fully pay and retire the same, and all other conditions of the bond resolution authorizing the same have been satisfied and the lien created by such bond resolution has been released in accordance with the provisions thereof, the authority shall promptly do such things and execute such deeds, conveyances, and other instruments, if any, as are necessary and required to convey title to such project or projects to such private institution of higher education.

Sec. 38. Section 79-2938, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2938.~~ The authority is hereby authorized to provide by resolution, at one time or from time to time, for the issuance of bonds for the purpose of paying, refinancing, or reimbursing all or any part of the cost of a project or for the purpose of administering and operating the Nebraska Health Education Assistance Loan Program and the Nebraska Student Loan Assistance Program. Except to the extent payable from payments to be made on securities or federally guaranteed securities as provided in sections ~~79-2941 and 79-2942~~ 41 and 42 of this act, the principal of and the interest on such bonds shall be payable solely out of the revenue of the authority derived from the project or program to which they relate and from any other facilities or assets pledged or made available therefor by the private institution of higher education for whose benefit such bonds were issued. The bonds of each issue shall be dated, shall bear interest at such rate or rates, without regard to any limit contained in any other statute or law of the State of Nebraska, shall mature at such time or times not exceeding forty years from the date thereof, all as may be determined by the authority, and may be made redeemable before maturity, at the option of the authority, at such price or prices and under such terms and conditions as may be fixed by the authority in the authorizing resolution. Except to the extent required by the Nebraska Educational Finance Authority Act and for bonds issued to fund the Nebraska Student Loan Assistance Program, such bonds are to be paid out of the revenue of the project to which they relate and, in certain instances, the revenue of certain other facilities, and subject to the provisions of sections ~~79-2941 and 79-2942~~ 41 and 42 of this act with respect to a pledge of securities or government securities, the bonds may be unsecured or secured in the manner and to the extent determined by the authority in its discretion.

The authority shall determine the form of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest which may be at any bank or trust company within or without the state. The bonds shall be signed in the name of the authority, by its chairperson or vice-chairperson or by a facsimile signature of such person, the official seal of the authority or a facsimile thereof shall be affixed thereto and attested by the manual or facsimile signature of the executive director or assistant executive director of the authority, and any coupons attached thereto shall bear the facsimile signature of the executive director or assistant executive director of the authority. In case any official of the authority whose signature or a facsimile of whose signature appears on any bonds or coupons ceases to be such an official before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained an official of the authority until such delivery.

All bonds issued under the act shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the law of the State of Nebraska. The bonds may be issued in coupon or in registered form, or both, and one form may be exchangeable for the other in such manner as the authority may determine. Provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The bonds may be sold in such manner, either at public or private sale, as the authority may determine.

The proceeds of the bonds of each issue shall be used solely for the payment of the costs of the project or program for which such bonds have been issued and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the resolution authorizing the issuance of such bonds or in the trust agreement provided for in section ~~79-2940~~ 40 of this act securing the same. If the proceeds of the bonds of any issue, by error of estimates or otherwise, are less than such costs, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be deemed to be of the same

issue and shall be entitled to payment from the same fund without preference or priority of the bonds first issued. If the proceeds of the bonds of any issue exceed the cost of the project or program for which they were issued, the surplus shall be deposited to the credit of the sinking fund for such bonds.

Prior to the preparation of definitive bonds, the authority may under like restrictions issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

The authority may also provide for the replacement of any bonds which become mutilated or are destroyed or lost. Bonds may be issued under the act without obtaining the consent of any officer, department, division, commission, board, bureau, or agency of the state and without any other proceedings or conditions other than those proceedings and conditions which are specifically required by the act. The authority may out of any funds available therefor purchase its bonds. The authority may hold, pledge, cancel, or resell such bonds, subject to and in accordance with any agreement with the bondholders. Neither the members of the authority nor any person executing the bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Sec. 39. Section 79-2939, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2939-~~ Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized, as to (1) pledging or assigning the revenue of the project or loan with respect to which such bonds are to be issued or the revenue of any other property, facilities, or loans, (2) the rentals, fees, and other amounts to be charged, the amounts to be raised in each year thereby, and the use and disposition of such amounts, (3) the setting aside of reserves or sinking funds, and the regulation, investment, and disposition thereof, (4) limitations on the use of the project, (5) limitations on the purpose to which or the investments in which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or any issue of the bonds, (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds, (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given, (8) limitations on the amount of money derived from the project or loan to be expended for operating, administrative, or other expenses of the authority, (9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default, (10) the mortgaging of a project and the site thereof or any other property for the purpose of securing the bondholders, and (11) any other matters relating to the bonds which the authority deems desirable.

Sec. 40. Section 79-2940, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2940-~~ In the discretion of the authority any bonds issued under the Nebraska Educational Finance Authority Act may be secured by a trust agreement by and between the authority and an incorporated trustee or trustees which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign the revenue to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof.

Any pledge or assignment made by the authority pursuant to this section shall be valid and binding from the time that the pledge or assignment is made, and the revenue so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge or assignment without physical delivery thereof or any further act. The lien of such pledge or assignment shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority irrespective of whether such parties have notice thereof.

The resolution or any trust agreement by which a pledge is created or an assignment made shall be filed or recorded in the records of the authority and with the Secretary of State and, in the case of a project, in each county in which the project is located.

Such trust agreement or resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in

violation of law, or provided for in the act.

Any bank or trust company incorporated under the laws of this state which acts as depository of the proceeds of the bonds, any revenue, or other money shall furnish such indemnifying bonds or pledge such securities as may be required by the authority.

Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. Any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders.

All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 41. Section 79-2941, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2941-~~ In addition to any other methods of financing authorized in the Nebraska Educational Finance Authority Act, the authority may finance the cost of a project or program, refund outstanding indebtedness, or reimburse advances from an endowment or any similar fund of a private institution of higher education as authorized by section 79-2931 31 of this act by issuing its bonds for the purpose of purchasing the securities of a private institution of higher education. Any such securities shall have the same principal amounts, maturities, and interest rates as the bonds being issued, may be secured by a first mortgage lien on or security interest in any real or personal property, subject to such exceptions as the authority may approve and created by a mortgage or security instrument satisfactory to the authority, and may be insured or guaranteed by others. Any such bonds shall be secured by a pledge of such securities under the trust agreement creating such bonds, shall be payable solely out of the payments to be made on such securities, and shall not exceed in principal amount the cost of such project or program, the refunding of such indebtedness, or reimbursement of such advances as determined by the private institution of higher education and approved by the authority. In other respects any such bonds shall be subject to the act, including sections 79-2938 ~~and 79-2939~~ 38 and 39 of this act, and the trust agreement creating such bonds may contain any of the provisions set forth in section 79-2940 40 of this act as the authority may consider appropriate.

If a project is financed pursuant to this section, the title to such project shall remain in the private institution of higher education owning the same, subject to the lien of the mortgage or security interest, if any, securing the securities then being purchased, and there shall be no lease of such facility between the authority and such private institution of higher education.

Section 79-2937 37 of this act shall not apply to any project financed pursuant to this section, but the authority shall return the securities purchased through the issuance of bonds pursuant to this section to the private institution of higher education issuing such securities when such bonds have been fully paid and retired or when adequate provision has been made to pay and retire such bonds fully and all other conditions of the trust agreement creating such bonds have been satisfied and any lien established pursuant to this section has been released in accordance with the provisions of the trust agreement.

Sec. 42. Section 79-2942, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2942-~~ Notwithstanding any other provision of the Nebraska Educational Finance Authority Act to the contrary, the authority may finance the cost of a project or program, refund outstanding indebtedness, or reimburse advances from any endowment or any similar fund of a private institution of higher education as authorized by the act, by issuing its bonds pursuant to a plan of financing involving the acquisition of any federally guaranteed security or securities or the acquisition or entering into of commitments to acquire any federally guaranteed security or securities. For purposes of this section, federally guaranteed security shall mean any direct obligation of or obligation the principal of and interest on which are fully guaranteed or insured by the United States of America or any obligation issued by or the principal of and interest on which are fully guaranteed or insured by any agency or instrumentality of the United States of America, including without limitation any such obligation that is issued pursuant to the National Housing Act, or any successor provision of law, each as amended from time to time.

In furtherance of the powers granted in this section, the authority may acquire or enter into commitments to acquire any federally guaranteed

security and pledge or otherwise use any such federally guaranteed security in such manner as the authority deems in its best interest to secure or otherwise provide a source of repayment of any of its bonds issued to finance or refinance a project or program or may enter into any appropriate agreement with any private institution of higher education whereby the authority may make a loan to any such private institution of higher education for the purpose of acquiring or entering into commitments to acquire any federally guaranteed security.

Any agreement entered into pursuant to this section may contain such provisions as are deemed necessary or desirable by the authority for the security or protection of the authority or the holders of such bonds, except that the authority, prior to making any such acquisition, commitment, or loan, shall first determine and enter into an agreement with any such private institution of higher education or any other appropriate institution or corporation to require that the proceeds derived from the acquisition of any such federally guaranteed security will be used, directly or indirectly, for the purpose of financing or refinancing a project or program.

Any bonds issued pursuant to this section shall not exceed in principal amount the cost of financing or refinancing such project or program as determined by the participating private institution of higher education and approved by the authority, except that such costs may include, without limitation, all costs and expenses necessary or incidental to the acquisition of or commitment to acquire any federally guaranteed security and to the issuance and obtaining of any insurance or guarantee of any obligation issued or incurred in connection with any federally guaranteed security. In other respects any such bonds shall be subject to the act, including sections 79-2938 and 79-2939 38 and 39 of this act, and the trust agreement creating such bonds may contain such of the provisions set forth in section 79-2940 40 of this act as the authority may deem appropriate.

If a project is financed or refinanced pursuant to this section, the title to such project shall remain in the participating private institution of higher education owning the same, subject to the lien of any mortgage or security interest securing, directly or indirectly, the federally guaranteed securities then being purchased or to be purchased, and there shall be no lease of such facility between the authority and such institution.

Section 79-2937 37 of this act shall not apply to any project financed pursuant to this section, but the authority shall return the securities purchased through the issuance of bonds pursuant to this section to the issuer of such securities when such securities have been fully paid, when such bonds have been fully paid and retired, or when adequate provision, not involving the application of such securities, has been made to pay and retire such bonds fully, all other conditions of the resolution, trust agreement, or indenture creating such bonds have been satisfied, and the lien on such bonds has been released in accordance with the act.

Sec. 43. Section 79-2943, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2943.~~ The authority is hereby authorized to provide by resolution for the issuance of refunding bonds for the purpose of refunding any bonds then outstanding which have been issued by it under the Nebraska Educational Finance Authority Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of maturity or earlier redemption of such bonds, and, in the case of a project and if deemed advisable by the authority, for the additional purposes of constructing and acquiring improvements, extensions, or enlargements of the project in connection with which the bonds to be refunded were issued and of paying any expenses which the authority determines may be necessary or incidental to the issuance of such refunding bonds and the construction and acquisition of such improvements, extensions, or enlargements. Such refunding bonds shall be payable solely out of the revenue of the project, including any such improvements, extensions, or enlargements thereto, or program to which the bonds being refunded relate or as otherwise described in sections 79-2938, 79-2941, 79-2942, 79-2957, and 79-2958 38, 41, 42, 57, and 58 of this act. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, the rights, duties, and obligations of the authority ~~in respect of~~ with respect to such bonds, and the manner of sale thereof shall be governed by the act insofar as applicable.

The proceeds of any such bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or earlier redemption of such outstanding bonds either on their earliest or any subsequent redemption date, upon the purchase of such bonds, or at the maturity of such bonds and may, pending such application, be placed in escrow to be applied to such purchase, retirement at

maturity, or earlier redemption.

Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America or obligations the timely payment of principal and interest on which is fully guaranteed by the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption premium, if any, on the outstanding bonds to be so refunded. The interest, income, and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded. Only after the terms of the escrow have been fully satisfied and carried out may any balance of such proceeds, interest, income, or profits earned or realized on the investments thereof be returned to the private institution of higher education for whose benefit the refunded bonds were issued for use by it in any lawful manner.

All such bonds shall be subject to the act in the same manner and to the same extent as other revenue bonds issued pursuant to the act.

Sec. 44. Section 79-2944, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2944.~~ Bonds issued pursuant to the Nebraska Educational Finance Authority Act shall not be deemed to constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any such political subdivision, but such bonds shall be a limited obligation of the authority payable solely from the funds, securities, or government securities pledged for their payment as authorized in the act unless such bonds are refunded by refunding bonds issued under the act, which refunding bonds shall be payable solely from funds, securities, or government securities pledged for their payment as authorized in the act. All such revenue bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not an obligation of the State of Nebraska or of any political subdivision thereof but are limited obligations of the authority payable solely from revenue, securities, or government securities, as the case may be, pledged for their payment. All expenses incurred in carrying out the act shall be payable solely from funds provided under the authority of the act, and nothing contained in the act shall be construed to authorize the authority to incur indebtedness or liability on behalf of or payable by the state or any political subdivision thereof.

Sec. 45. Section 79-2945, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2945.~~ Except for projects financed or refinanced pursuant to sections ~~79-2941 and 79-2942~~ 41 and 42 of this act, the authority shall fix, revise, charge, and collect rents for the use of each project and contract with any private institution of higher education in respect thereof. Each lease entered into by the authority with a private institution of higher education shall provide that the rents payable by the private institution of higher education shall be sufficient at all times (1) to pay its share of the administrative costs and expenses of the authority, (2) to pay the authority's cost, if any, of maintaining, repairing, and operating the project and each and every portion thereof, (3) to pay the principal of, the premium, if any, and the interest on outstanding bonds of the authority issued ~~in respect of~~ with respect to such project as the same shall become due and payable, and (4) to create and maintain reserves which may be provided for in the bond resolution or trust agreement relating to such bonds of the authority.

With respect to projects financed pursuant to sections ~~79-2941 and 79-2942~~ 41 and 42 of this act, the authority shall require the private institution of higher education involved to enter into agreements obligating such institution to make payments sufficient to accomplish the purposes described in this section.

Sec. 46. Section 79-2946, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2946.~~ All money received by the authority, whether as proceeds from the sale of bonds, from revenue, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in the Nebraska Educational Finance Authority Act but, prior to the time when needed for use, may be invested to the extent and in the manner provided for the investment of public funds of the state under the laws then in effect. Such funds shall be deposited, held, and secured in accordance with the general laws of the state relating to the handling of public funds, except to the extent provided otherwise in the resolution authorizing the issuance of the related bonds or in the trust agreement securing such bonds. The resolution authorizing the issuance of such bonds or the trust agreement securing such bonds shall provide that any officer to whom or any bank or trust company to which such

money is entrusted shall act as trustee of such money and shall hold and apply the same for the purposes of the act, subject to the act, and of the authorizing resolution or trust agreement.

Sec. 47. Section 79-2947, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2947-~~ Any holder of bonds or of any of the coupons appertaining thereto issued under the Nebraska Educational Finance Authority Act and the trustee under any trust agreement, except to the extent the rights given in the act may be restricted by the authorizing resolution or trust agreement, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state, the act, or such trust agreement or resolution authorizing the issuance of such bonds and may enforce and compel the performance of all duties required by the act or by such trust agreement or resolution to be performed by the authority or by any officer, employee, or agent thereof, including the fixing, charging, and collecting of rates, rents, fees, and charges authorized in the act and required by the provisions of such resolution or trust agreement to be fixed, established, and collected.

Such rights shall include the right to compel the performance of all duties of the authority required by the act or the bond resolution or trust agreement to enjoin unlawful activities and, in the event of default with respect to the payment of any principal of and premium, if any, and interest on any bond or in the performance of any covenant or agreement on the part of the authority in the bond resolution, to apply to a court having jurisdiction of the cause to appoint a receiver to administer and operate a project, the revenue of which is pledged to the payment of the principal of and premium, if any, and interest on such bonds, with full power to pay and to provide for payment of the principal of and premium, if any, and interest on such bonds, and with such powers, subject to the direction of the court, as are permitted by law and are accorded receivers in general equity cases, excluding any power to pledge additional revenue of the authority to the payment of such principal, premium, and interest, and to foreclose the mortgage on the project in the same manner as the foreclosure of a mortgage on real estate of private corporations.

Sec. 48. Section 79-2948, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2948-~~ The Nebraska Educational Finance Authority Act, being necessary for the welfare of the state and its inhabitants, shall be liberally construed to effect the purposes thereof.

Sec. 49. Section 79-2949, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2949-~~ All final actions of the authority shall be recorded in a journal, and the journal and all instruments and documents relating thereto shall be kept on file at the office of the authority and shall be open to the inspection of the public at all reasonable times.

Sec. 50. Section 79-2950, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2950-~~ The exercise of the powers granted by the Nebraska Educational Finance Authority Act shall be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, for the improvement of their health and living conditions, and for the development of their intellectual and mental capacities and skills, and as the operation, maintenance, financing, or refinancing of a project or program by the authority or its agent will constitute the performance of essential governmental functions and serve a public purpose, neither the authority nor its agent shall be required to pay any taxes or assessments, upon or in with respect to a project or any property acquired or used by the authority or its agent under the act, upon the income therefrom, or upon any other amounts received by the authority in respect thereof, including payments of principal or premium or interest on or in respect of any securities purchased pursuant to section ~~79-2944~~ 41 of this act or any government securities involved in a plan of financing pursuant to section ~~79-2942~~ 42 of this act. The bonds issued under the act, the interest thereon, the proceeds received by a holder from the sale of such bonds to the extent of the holder's cost of acquisition, or proceeds received upon redemption prior to maturity, proceeds received at maturity, and the receipt of such interest and proceeds shall be exempt from taxation in the State of Nebraska for all purposes except the state inheritance tax.

Sec. 51. Section 79-2951, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2951-~~ The State of Nebraska does hereby pledge to and agree with the holders of any obligations issued under the Nebraska Educational Finance

Authority Act and with those parties who may enter into contracts with the authority pursuant to the act that the state will not limit or alter the rights vested in the authority until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the authority, except that nothing contained in this section shall preclude such limitation or alteration if and when adequate provision is made by law for the protection of the holders of such obligations of the authority or those entering into such contracts with the authority.

Sec. 52. Section 79-2952, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2952-~~ The Nebraska Educational Finance Authority Act shall be deemed to provide a complete, additional, and alternative method for doing the things authorized in the act and shall be regarded as supplemental and additional to powers conferred by other laws. The issuance of bonds and refunding bonds under the act need not comply with the requirements of any other law applicable to the issuance of bonds, and the construction and acquisition of a project pursuant to the act by the authority need not comply with the requirements of any competitive bidding law or other restriction imposed on the procedure for award of contracts for the construction and equipping of a project or the lease, sale, or disposition of property of the authority, except that if the prospective lessee so requests in writing, the authority shall call for construction bids in such manner as shall be determined by the authority with the approval of such lessee. Except as otherwise expressly provided in the act, none of the powers granted to the authority under the act shall be subject to the supervision of or regulation by or require the approval or consent of any municipality, political subdivision, commission, board, body, bureau, official, or agency or the state.

Sec. 53. Section 79-2953, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2953-~~ To the extent that the Nebraska Educational Finance Authority Act is inconsistent with the provisions of any general statute or special act or parts thereof, the Nebraska Educational Finance Authority Act shall be deemed controlling.

Sec. 54. Section 79-2954, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2954-~~ There is hereby established, in accordance with Public Law 94-484, the Nebraska Health Education Assistance Loan Program, to be financed by the authority in the manner provided in the Nebraska Educational Finance Authority Act.

Sec. 55. Section 79-2955, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2955-~~ The authority may:

- (1) Make loans;
- (2) Participate in the financing of loans;
- (3) Purchase or participate in the purchase of loans;
- (4) Sell or participate in the sale of loans;
- (5) Collect and pay reasonable fees and charges in connection with

the exercise of the powers provided in subdivisions (1) ~~to~~ through (4) of this section;

(6) Do all things necessary and convenient to carry out the purposes of sections ~~79-2954 to 79-2959~~ 54 to 59 of this act in connection with the administering and servicing of loans, including contracting with any person, firm, or other body, public or private;

(7) Enter into any agreements necessary to effect the guarantee, insuring, administering, or servicing of loans;

(8) Adopt and promulgate rules and regulations governing and establish standards for participation in the program created by section ~~79-2954~~ 54 of this act, and establish other administrative procedures consistent with Public Law 94-484; and

(9) Exercise all powers incidental to or necessary for the performance of the powers authorized by this section.

Sec. 56. Section 79-2956, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2956-~~ Any loan made, purchased, or caused to be made or purchased pursuant to section ~~79-2955~~ 55 of this act may be funded with the proceeds of bonds, notes, or other obligations of the authority issued pursuant to sections ~~79-2954 to 79-2959~~ 54 to 59 of this act. The trust agreement or indenture creating such bonds, notes, or other obligations may contain any of the provisions specified in section ~~79-2940~~ 40 of this act as the authority shall deem appropriate and any other provisions, not in violation of law, as the authority shall deem reasonable and proper for the

security of the holders of such bonds, notes, or other obligations.

The proceeds of any such bonds, notes, or other obligations may be used and applied by the authority to make loans, to purchase loans, to cause loans to be made or purchased, to pay financing costs, including, but not limited to, legal, underwriting, investment banking, accounting, rating agency, printing, and other similar costs, to fund any reserve funds deemed necessary or advisable by the authority, to pay interest on such bonds, notes, or other obligations for any period deemed necessary or advisable by the authority, and to pay all other necessary and incidental costs and expenses.

Sec. 57. Section 79-2957, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2957-~~ Notwithstanding section ~~79-2938~~ 38 of this act, all bonds, notes, or other obligations issued by the authority for the Nebraska Health Education Assistance Loan Program shall be payable out of the revenue generated in connection with loans funded under sections ~~79-2954 to 79-2959~~ 54 to 59 of this act, or from reserves or other money available for such purpose as may be designated in the resolution of the authority under which the bonds, notes, or other obligations are issued or as may be designated in a trust indenture authorized by the authority.

Sec. 58. Section 79-2958, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2958-~~ Notwithstanding section ~~79-2940~~ 40 of this act, the principal of and interest on any bonds issued by the authority for the Nebraska Health Education Assistance Loan Program shall be secured by a pledge of the revenue and other money out of which such principal and interest shall be made payable and may be secured by a trust indenture, mortgage, or deed of trust, including an assignment of a loan or contract right of the authority pursuant to a loan, covering all or any part of a loan from which the revenue or receipts so pledged may be derived.

Sec. 59. Section 79-2959, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2959-~~ There is hereby created a separate fund, to be known as the Nebraska Health Education Loan Repayment Fund, which shall consist of all revenue generated in connection with loans funded pursuant to the Nebraska Educational Finance Authority Act. The authority may pledge revenue received or to be received by the fund to secure bonds, notes, or other obligations issued pursuant to the act. The authority may create such subfunds or accounts within the fund as it deems necessary or advisable.

Sec. 60. Section 79-2961, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2961-~~ There is hereby established the Nebraska Student Loan Assistance Program to be financed by the authority in the manner provided in the Nebraska Educational Finance Authority Act.

Sec. 61. Section 79-2962, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2962-~~ The authority may:

(1) Make loans to private institutions of higher education to assist such institutions in providing loans to their full-time students to assist them in financing the cost of their education while taking courses leading to an academic degree;

(2) Participate in the financing of such loans;

(3) Sell or participate in the sale of such loans;

(4) Collect and pay reasonable fees and charges in connection with the exercise of the powers provided in subdivisions (1) through (3) of this section;

(5) Do all things necessary and convenient to carry out the purposes of this section and section ~~79-2963~~ 62 of this act in connection with the administering of such loans, including contracting with any person, firm, or other body, public or private;

(6) Enter into any agreements necessary to effect the guarantee, insuring, or administering of such loans;

(7) Adopt and promulgate rules and regulations governing and establish standards for participation in the Nebraska Student Loan Assistance Program; and

(8) Exercise all powers incidental to or necessary for the performance of the powers authorized by this section.

Sec. 62. Section 79-2963, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2963-~~ Any loan made or caused to be made or purchased pursuant to section ~~79-2962~~ 61 of this act may be funded with the proceeds of bonds, notes, or other obligations of the authority issued pursuant to this section and sections 79-2938; 79-2943; and 79-2961 to 79-2963 38, 43, 60, and 61 of

this act. The trust agreement or indenture creating such bonds, notes, or other obligations may contain any of the provisions specified in section 79-2940 ~~40~~ of this act as the authority deems appropriate and any other provisions, not in violation of law, as the authority deems reasonable and proper for the security of the holders of such bonds, notes, or other obligations.

The proceeds of any such bonds, notes, or other obligations may be used and applied by the authority to make loans to such institutions and cause loans to be made by the institutions to their qualified students, to pay financing costs, including legal, underwriting, investment banking, accounting, rating agency, printing, and other similar costs, to fund any reserve funds deemed necessary or advisable by the authority, to pay interest on such bonds, notes, or other obligations for any period deemed necessary or advisable by the authority, and to pay all other necessary and incidental costs and expenses.

Sec. 63. Section 79-2964, Reissue Revised Statutes of Nebraska, is amended to read:

~~79-2964.~~ It is the intent of the Legislature that the changes made by Laws 1993, LB 465, in the name of the Nebraska Educational Facilities Authority Act to the Nebraska Educational Finance Authority Act and in the name of the Nebraska Educational Facilities Authority to the Nebraska Educational Finance Authority shall not affect or alter any rights, privileges, or obligations existing immediately prior to September 9, 1993.

Sec. 64. Original sections 79-2901 to 79-2909, 79-2910 to 79-2959, and 79-2961 to 79-2964, Reissue Revised Statutes of Nebraska, are repealed.