

R650-1. Purpose: To establish the requirements for acquisition of obligations under the Higher Education Loan Act.

R650-2. References

- 2.1. Utah Code Title 53B, Utah System of Higher Education, Chapter 13.

R650-3. Definitions

- 3.1. **Board;** means the State Board of Regents.
- 3.2. **Obligations;** means student loan notes and other debt obligations reflecting loans to students which the board may take, acquire, buy, sell, or endorse under Utah Code Ann. §53B-13-103(3).

R650-4. Policy

4.1 **General Policy:** In order for obligations to be eligible for acquisition, purchase, or commitment to purchase by the board, Utah Code Ann. §53B-13-103(3) requires the lender holding the obligations to certify at or before the transfer to the board that (a) under and to the extent required by rules and regulations of the board, the proceeds of the sale or its equivalent shall be reinvested in other obligations under the student loan program; or (b) the obligation was made in anticipation of its sale to the board under rules and regulations of the board. Due to the change in national policy regarding the student loan programs, the reinvestment of proceeds of sales of obligations in other obligations under the student loan programs is no longer possible. Consequently, the reinvestment of the proceeds is not required for obligations to be eligible for acquisition, purchase, or commitment to purchase by the board. Instead, for such obligations to be eligible for acquisition, purchase or commitment to purchase, the board must determine at or before their transfer to the board that the acquisition, purchase, or commitment to purchase of the obligations will assist the board in accomplishing its purposes without the requirement of reinvesting the proceeds of the sale in other obligations under the student loan program.

4.2 **Lender's Certificate:** The lender's certificate shall state:

4.2.1. the obligations wholly consist of student loan notes and other debt obligations reflecting loans to students; and

4.2.2. if applicable, the obligation was made in anticipation of its sale to the board.

¹ Adopted January 24, 2014.