



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

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May 20, 2022

## Private Activity Bond Volume Cap Relinquishment

The federal tax code allows for state and local governments to use tax-exempt bonds to finance “qualified private activities,” including certain types of mortgage bonds and student loans, subject to an annually-determined volume cap.

Utah Code Annotated § 35A-8-21, *Private Activity Bonds*, set parameters for the sub-allocation of Utah’s volume cap. The statute initially reserves 33% of volume cap for student loans, which can be reassigned for other purposes upon written notification by the eligible issuing authority (the Utah Board of Higher Education).

The student loan allotment of Utah’s most recent private activity bond volume cap is \$121,168,493. As in previous years, this allotment will not be used.

### **Commissioner’s Recommendation**

The Commissioner recommends the Board relinquish the \$121,168,493 private activity bond student loan allotment for other purposes, as authorized in Utah code.

### **Attachment**

## Relinquishment of Volume Cap

To: John Crandall  
Chairman,  
Private Activity Bond Review Board

Chairman Crandall:

On January 1, 2022, the Private Activity Bond Review Board (“Board”) allocated \$121,168,493 to the Student Loan Account, for which the Utah Board of Higher Education is an eligible issuing authority. The Board of Higher Education writes to inform the Board that the full amount of this allocation will go unused this year. We therefore relinquish to the Board \$121,168,493 so that the Board may transfer the unused amount to another allotment account, as permitted by the updated version of Utah Code Section 35A-8-2106(2)(c), which will become effective on June 1, 2022.

Signed, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

\_\_\_\_\_  
[Name],  
Chair  
Utah Higher Education Assistance Authority