

**FORTY-SEVENTH LEGISLATURE
FIRST SESSION, 2005**

February 9, 2005

Mr. Speaker:

Your **EDUCATION COMMITTEE**, to whom has been referred
HOUSE BILL 132

has had it under consideration and reports same with recommendation that it **DO PASS**, amended as follows:

1. On page 8, line 19, after the period strike the remainder of the line and strike lines 20 and 21 up to the quotation marks.

2. On page 8, between lines 21 and 22, insert the following new section:

"Section 7. Section 21-21A-11 NMSA 1978 (being Laws 1981, Chapter 319, Section 11) is amended to read:

"21-21A-11. TRUST AGREEMENTS AUTHORIZED.--In the discretion of the foundation, any bonds issued under the provisions of the Educational Assistance Act may be secured by a trust agreement by and between the foundation and a corporate trustee, which may be a bank or trust company having trust powers within or without the state. [~~Such~~] The trust agreement or the resolution providing for the issuance of [~~such~~] the bonds may pledge or assign all or any part of the revenues or assets of the foundation, including without limitation [~~student~~] educational loan receipts, [~~insured student~~] educational loans, federal interest subsidies, special allowance payments [~~insured student~~] and educational loan commitments; temporary loans, contracts, agreements and other security or investment obligations; the fees or charges made or received by the foundation; the money received in payment of [~~insured student~~] educational loans and interest [~~thereon~~] on that money, including the proceeds of insurance thereon; and any other money received or due to be received by the foundation. [~~Such~~] The trust agreement or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of [~~any such~~] bonds as may be reasonable and proper and not in violation of law, including [~~covenants~~] covenants setting forth the duties of the foundation in relation to the purposes to which bond proceeds may be applied, the disposition or pledging of the revenues or assets of the foundation and the custody, safeguarding and application of all money. It shall be lawful for any bank or trust company incorporated under the laws of the state [~~which~~] that may act as depository of the proceeds

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of bond revenues or other money [~~hereunder~~] pursuant to the Educational Assistance Act to furnish such indemnifying bonds or to pledge such securities as may be required by the foundation. [~~Any such~~] The trust agreement or resolution may set forth the rights and remedies of the holders of any bonds and of the trustee and may restrict the individual right of action by any [~~such holders.~~ In addition to the foregoing, any such] bondholders. The trust agreement or resolution may contain such other provisions as the foundation [~~may deem~~] deems reasonable and proper for the security of the holders of any bonds. All expenses incurred in carrying out the provisions of [~~such~~] the trust agreement or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on bonds or from any other funds available to the foundation."".

3. Renumber the succeeding sections accordingly.

Respectfully submitted,

Rick Miera, Chairman

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

Date _____

The roll call vote was 13 For 0 Against
Yes: 13
No: 0
Excused: Hamilton
Absent: None