

Succeeded By
SF/HF 2189

SSB 3073
Education

McKinley, Angelo, Soukup

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
EDUCATION BILL BY
CHAIRPERSON BOETTGER)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the establishment and perfection of a
2 security interest in certain education loans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 261.43A SECURITY INTEREST IN
2 EDUCATION LOANS.

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

16 EXPLANATION

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

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Substituted for by HF 2475-
3/11/02
(P.564)

FILED FEB 14 2002

SENATE FILE 2189
BY COMMITTEE ON EDUCATION

WITHDRAWN

(SUCCESSOR TO SSB 3073)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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SF 2189

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5 that provides or acquires education loans in the
6 organization's normal course of business shall,
7 notwithstanding any contrary provision of chapter 554 or other
8 state law, establish and perfect a security interest and
9 establish priority over other security interests in such
10 education loans by filing in the same manner as provided for
11 perfecting a security interest in a student loan pursuant to
12 20 U.S.C. § 1082(m)(1)(E). This section applies to education
13 loans provided under this chapter by such nonprofit
14 organizations and other education loans provided by such
15 nonprofit organizations.

16 EXPLANATION

17 This bill authorizes a tax-exempt nonprofit organization
18 that provides or acquires education loans to establish and
19 perfect a security interest and priority over other security
20 interests in the loans, notwithstanding any contrary provision
21 of the uniform commercial code contained in Code chapter 554
22 or other state law, in the same manner as provided for
23 perfecting a security interest in a student loan pursuant to
24 20 U.S.C. § 1082(m)(1)(E). That federal provision provides,
25 among other methods, for perfection of a security interest by
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