

EXECUTIVE ORDER NO. 61

WHEREAS, the Higher Education Act of 1965, as amended, provides for a program of (i) direct federal insurance to holders of certain student loans, (ii) reimbursement to certain state agencies or private not-for-profit corporations administering student loan insurance programs for losses sustained in the operations of their programs and (iii) federal interest subsidies and special allowance payments with respect to such qualified student loans (said program being herein called the "Federal Guaranteed Student Loan Program"); and

WHEREAS, Section 103(a)(2) of the Internal Revenue Code of 1954, as amended, provides for the exclusion from the gross income of the holder thereof of income derived from "qualified scholarship funding bonds" issued by a corporation which is a corporation not for profit established and operated exclusively for the purpose of acquiring student loan notes incurred under the Higher Education Act of 1965 and is organized at the request of a State or one or more political subdivisions thereof or is requested to exercise such power by one or more political subdivisions thereof or by its corporate charter and bylaws, or required by State law, to devote any income (after payment of expenses, debt service and the creation of reserves for the same) to the purchase of additional said student loan notes or to pay over any income to the State or a political subdivision thereof; and

WHEREAS, pursuant to the provisions of Code of Alabama 1975, §36-13-9, by my Executive Order No. 33, dated August 19, 1980, I did authorize, empower and direct Alabama Commission on Higher Education, an existing agency and instrumentality of the State of Alabama, to request the incorporation of Alabama Higher Education Loan Corporation as a nonprofit corporation for the purpose of issuing its bonds and notes and using the proceeds thereof to acquire student loan notes incurred under the Higher Education Act of 1965 (said proposed program of said Alabama Higher Education Loan Corporation being herein called the "Alabama Student Loan Revenue Bond Program"); and

WHEREAS, pursuant to the provisions of said Executive Order No. 33, said Alabama Commission on Higher Education did request the incorporation of said Alabama Higher Education Loan Corporation, which was duly incorporated in December 1980; and

WHEREAS, in connection with a proposed initial bond issue of Alabama Higher Education Loan Corporation, the Board of Directors of said corporation has determined that it is wise, expedient, necessary and advisable to make certain amendments to the Articles of Incorporation of said corporation; and

WHEREAS, said Articles of Incorporation of Alabama Higher Education Loan Corporation require that the Governor of the State of Alabama approve any such amendments to said Articles of Incorporation by his executive order; and

WHEREAS, Alabama Commission on Higher Education, pursuant to its powers to administer, and act as guarantee agency under, the so-called "Alabama

Guaranteed Student Loan Program" established by Code of Alabama 1975, Title 16, Chapter 33B in conjunction with the Federal Guaranteed Student Loan Program, has agreed to service those student loans acquired by Alabama Higher Education Loan Corporation under the Alabama Student Loan Revenue Bond Program; and

WHEREAS, Code of Alabama 1975, §36-13-9, authorizes and empowers the Governor of the State of Alabama to give, by his executive order, to existing agencies and instrumentalities of the state government, such powers and duties which are not in conflict with the Constitution of Alabama and which are not specifically prohibited by the then existing statutes as may be required to implement in Alabama any law, order, rule, regulation, program or plan promulgated by the federal government, or any agency or instrumentality thereof, for the welfare of the people of the United States, or as may be required, in his judgment, for the welfare of the people of the United States, or as may be required, in his judgment, for the welfare of the people of Alabama;

NOW, THEREFORE, I, Fob James, Governor of the State of Alabama, do hereby find, declare and order as follows:

That it is wise, expedient, necessary and advisable to amend the Articles of Incorporation of Alabama Higher Education Loan Corporation as proposed by its Board of Directors, and, to that end, I hereby approve the authorization, execution and filing of First Articles of Amendment to Articles of Incorporation of Alabama Higher Education Loan Corporation in substantially the form which is attached hereto as Exhibit A and made a part hereof as if set out in full herein;

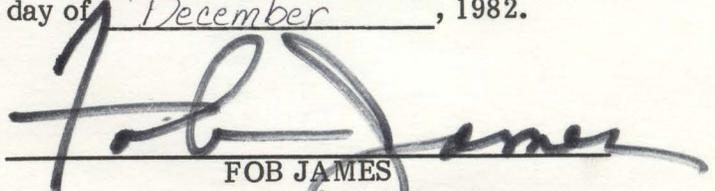
That each of (i) the Higher Education Act of 1965, as amended, (ii) Section 103(a)(2) of the Internal Revenue Code of 1954, as amended, and (iii) the Alabama Guaranteed Student Loan Program (being a participant in the Federal Guaranteed Student Loan Program), constitutes the kind of law, order, rule, regulation, program or plan promulgated by the federal government, or an agency or instrumentality thereof, for the welfare of the people of the United States, whose implementation in the State of Alabama said Code of Alabama 1975, §36-13-9 is intended to permit;

That pursuant to the provisions of Code of Alabama 1975, §36-13-9, I hereby grant to Alabama Commission on Higher Education all powers which are necessary to implement, in cooperation with Alabama Higher Education Loan Corporation, the Alabama Student Loan Revenue Bond Program and the Alabama Guaranteed Student Loan Program, including, without limitation, all powers necessary to service student loans acquired by Alabama Higher Education Loan Corporation in connection with the Alabama Student Loan Revenue Bond Program, provided that such powers are hereby granted to Alabama Commission on Higher Education only to the extent that they do not conflict with the Constitution of the State of Alabama and are not specifically prohibited by the existing statutes of the State of Alabama; and

That the grant of powers to Alabama Commission on Higher Education contained in this Executive Order is required, in my judgment, for the welfare of the people of the United States and the welfare of the people of Alabama.

IT IS FURTHER ORDERED that this Executive Order take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Alabama to be affixed by the Secretary of State at the Capitol in the City of Montgomery, Alabama, on this the 7th day of December, 1982.



FOB JAMES
Governor of Alabama

Attest:



SECRETARY OF STATE

