

(I) THE AUTHORITY MAY:

(1) EXAMINE RECORDS AND FINANCIAL REPORTS OF PARTICIPATING INSTITUTIONS; AND

(2) EXAMINE RECORDS AND FINANCIAL REPORTS OF ANY CONTRACTOR ORGANIZATION OR FINANCIAL INSTITUTION RETAINED BY THE AUTHORITY.

(J) THE AUTHORITY SHALL REQUIRE THAT:

(1) AUTHORITY LOANS BE USED SOLELY TO MAKE EDUCATION LOANS;

(2) INSTITUTIONS REQUIRE EACH BORROWER UNDER AN EDUCATION LOAN USE THE PROCEEDS SOLELY FOR THE COST OF ATTENDANCE; AND

(3) EACH BORROWER CERTIFY THAT PROCEEDS SHALL BE USED SOLELY FOR THE COST OF ATTENDANCE.

18-1307. REFUNDING BOND PROCEEDS AND EXPENSES.

(A) WHENEVER REFUNDING BONDS ARE ISSUED TO REFUND BONDS, THE PROCEEDS OF WHICH WERE USED TO MAKE AUTHORITY LOANS, THE AUTHORITY MAY REDUCE THE AMOUNT IT IS OWED BY THE INSTITUTIONS WHICH HAD RECEIVED AUTHORITY LOANS FROM THE PROCEEDS OF THE REFUNDED BONDS.

(B) THE INSTITUTIONS MAY USE THIS REDUCED AMOUNT TO REDUCE THE AMOUNT OF INTEREST BEING PAID ON EDUCATION LOANS WHICH THE INSTITUTIONS HAD MADE PURSUANT TO THE AUTHORITY LOANS FROM THE PROCEEDS OF THE REFUNDED BONDS.

(C) ALL EXPENSES INCURRED IN CARRYING OUT THE PROVISIONS OF THIS SECTION SHALL BE PAYABLE SOLELY FROM FUNDS PROVIDED UNDER THE AUTHORITY OF THIS SECTION AND, EXCEPT AS OTHERWISE PROVIDED, NO LIABILITY SHALL BE INCURRED BY THE AUTHORITY BEYOND THE EXTENT TO WHICH MONEYS SHALL HAVE BEEN PROVIDED UNDER THIS SECTION.

18-1308. LOAN FUNDING DEPOSITS.

(A) (1) THE AUTHORITY MAY ESTABLISH GUIDELINES RELATING TO:

(I) THE DEPOSITS OF CERTAIN MONEYS, ENDOWMENTS, OR PROPERTIES BY INSTITUTIONS SO AS TO PROVIDE REASONABLE SECURITY FOR EDUCATION ~~LOANS~~ LOAN FUNDING PROGRAMS, AUTHORITY LOANS, EDUCATION LOANS, OR FOR BONDS; AND

(II) GUARANTEES OF OR CONTRACTS TO PURCHASE EDUCATION LOANS OR BONDS BY THE INSTITUTIONS OR BY FINANCIAL INSTITUTIONS OR OTHERS.