

Article 23.

State Education Assistance.

Part 1. State Education Assistance Authority.

§ 116-201. Purpose and definitions.

(a) The purpose of this Article is to authorize a system of financial assistance, consisting of grants, loans, work-study or other employment, and other aids, to assist qualified students to enable them to obtain an education beyond the high school level by attending public or private educational institutions. The General Assembly has found and hereby declares that it is in the public interest and essential to the welfare and well-being of the State and to the proper growth and development of the State to foster and provide financial assistance to properly qualified students in order to help them to obtain an education beyond the high school level. The General Assembly has further found that many students who are fully qualified to enroll in appropriate educational institutions for furthering their education beyond the high school level lack the financial means and are unable, without financial assistance as authorized under this Article, to pay the cost of such education, with a consequent irreparable loss to the State of valuable talents vital to its welfare. The General Assembly has determined that the establishment of a proper system of financial assistance for such objective purpose serves a public purpose and is fully consistent with the long established policy of the State to encourage, promote and assist education to enhance economic development.

(b) As used in this Article, the following terms shall have the following meanings unless the context indicates a contrary intent:

- (1) "Article" or "this Article" means Article 23 of Chapter 116 of the General Statutes of North Carolina;
- (2) "Authority" means the State Education Assistance Authority created by this Article or, if the Authority is abolished, the board, body, commission or agency succeeding to its principal functions, or on whom the powers given by this Article to the Authority shall be conferred by law;
- (3) "Bond resolution" or "resolution" when used in relation to the issuance of bonds is deemed to mean either any resolution authorizing the issuance of bonds or any trust agreement or other instrument securing any bonds;
- (4) "Bonds" or "revenue bonds" means the obligations authorized to be issued by the Authority under this Article, which may consist of revenue bonds, revenue refunding bonds, bond anticipation notes and other notes and obligations, evidencing the Authority's obligation to repay borrowed money from revenues, funds and other money pledged or made available therefor by the Authority under this Article;
- (5) "Eligible institution," with respect to student loans, has the same meaning as the term has in section 1085 of Title 20 of the United States Code;
- (6) "Eligible institution," with respect to grants and work-study programs, includes the constituent institutions of The University of North Carolina, all state-supported institutions organized and administered pursuant to Chapter 115A of the General Statutes and all private institutions as defined in subdivision (8) of this subsection;
- (7) "Student obligations" means student loan notes and other debt obligations evidencing loans to students which the Authority may make, take, acquire, buy, sell, endorse or guarantee under the provisions of this Article, and may include any direct or indirect interest in the whole or any part of any such notes or obligations;

- (8) "Private institution" means an institution other than a seminary, Bible school, Bible college or similar religious institution in this State that is not owned or operated by the State or any agency or political subdivision thereof, or by any combination thereof, that offers post-high school education and is accredited by the Southern Association of Colleges and Schools or, in the case of institutions that are not eligible to be considered for accreditation, accredited in those categories and by those nationally recognized accrediting agencies that the Authority may designate;
- (9) "Reserve Trust Fund" means the trust fund authorized under G.S. 116-209 of this Article;
- (10) "State Education Assistance Authority Loan Fund" means the trust fund so designated and authorized by G.S. 116-209.3 of this Article;
- (11) "Student," with respect to scholarships, grants, and work-study programs, means a resident of the State for tuition purposes under the criteria set forth in G.S. 116-143.1 and in accordance with any definitions of residency that may from time to time be prescribed by the Board of Governors of The University of North Carolina, who, under regulations adopted by the Authority, has enrolled or will enroll in an eligible institution for the purpose of pursuing his education beyond the high school level, who is making suitable progress in his education in accordance with standards acceptable to the Authority and, for the purposes of G.S. 116-209.19, who has not received a bachelor's degree, or qualified for it and who is otherwise classified as an undergraduate under those regulations that the Authority may promulgate;
- (12) "Student," with respect to loans, means a resident of the State as defined in (11) of this subsection and an eligible student as defined in 20 U.S.C. 1071 who is enrolled in an eligible institution located in North Carolina; and
- (13) "Student loans" means loans to students defined in subdivisions (11) and (12) of this subsection to aid them in pursuing their education beyond the high school level. (1965, c. 1180, s. 1; 1971, c. 392, s. 1; c. 1244, s. 14; 1979, c. 165, s. 1; 1987, c. 227, ss. 1, 2; 2010-31, s. 17.3(b); 2013-410, s. 9.1; 2016-57, s. 2(b).)