

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 311

Session of
1981

INTRODUCED BY E. Z. TAYLOR, COWELL, BURNS, LIVENGOOD, RASCO,
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FEBRUARY 2, 1981

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 2, 1981

AN ACT

1 Amending the act of August 7, 1963 (P.L.549, No.290), entitled,
2 as amended, "An act creating the Pennsylvania Higher
3 Education Assistance Agency; defining its powers and duties;
4 conferring powers and imposing duties on the Governor,
5 President Pro Tempore of the Senate, Speaker of the House of
6 Representatives, Superintendent of Public Instruction and the
7 Department of Auditor General; and making appropriations,"
8 creating an Educational Loan Assistance Fund; authorizing the
9 Pennsylvania Higher Education Assistance Agency to borrow
10 money and issue bonds and other evidences of indebtedness
11 without pledging the credit of the Commonwealth; imposing
12 powers and duties upon and authorizing the agency to act as a
13 lender including an eligible lender under the provisions of
14 Part C of the Health Professions Education Assistance Act of
15 1976.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. Section 2, act of August 7, 1963 (P.L.549,
19 No.290), referred to as the Pennsylvania Higher Education
20 Assistance Act, amended January 18, 1968 (1967 P.L.952, No.424),
21 is amended to read:

22 Section 2. Purpose.--The purpose of such agency shall be to
23 improve the higher educational opportunities of persons who are
24 residents of this State and who are attending approved

1 institutions of higher education, in this State or elsewhere, by
2 making, guaranteeing, servicing or otherwise providing loans
3 [made] to such persons to assist them in meeting their expenses
4 of higher education in accordance with the provisions of this
5 act. The term "resident," as used in this act, shall include,
6 but not be limited to, a student who is accepted for enrollment
7 in or is attending an approved institution of higher education
8 located in this Commonwealth.

9 Section 2. Section 4 of the act, amended May 8, 1965
10 (P.L.53, No.41), January 18, 1968 (1967 P.L.952, No.424),
11 December 30, 1970 (P.L.947, No.297), December 30, 1974
12 (P.L.1111, No.357) and December 21, 1977 (P.L.338, No.99), is
13 amended to read:

14 Section 4. Powers and Duties.--In furtherance of the
15 purposes set forth in this act, the board of directors shall
16 have the following powers:

17 (1) To make, guarantee, undertake commitments to make and
18 participate with lending institutions in the making of loans,
19 service or otherwise provide loans of money upon such terms and
20 conditions as the board may prescribe within the limitations
21 contained herein or applicable Federal law, at such rates of
22 interest as are determined by the agency, to lenders and to
23 persons who are residents of this State and who plan to attend
24 or are attending any approved institution of higher education
25 eligible under this act or applicable Federal law, in this State
26 or elsewhere to assist them in meeting their expenses of higher
27 education. No such person shall receive any loan or loan
28 guarantee in excess of [one thousand five hundred dollars
29 (\$1500) for any academic year and no such person shall receive a
30 total loan guarantee of more than seventy-five hundred dollars

1 (\$7500) except if such loans are] annual and maximum limits as
2 established by the board of directors or in compliance with
3 limits established for loans funded, guaranteed or reinsured
4 under Federal laws. Such loans or loan guarantees shall become
5 due and payable at the direction of the board of directors [and
6 the board of directors may extend the repayment period not to
7 exceed fifteen years from the date of execution of the note or
8 other written evidence of the loan or as allowed under Federal
9 law when the loan is guaranteed or reinsured under Federal
10 laws].

11 (1.1) As a public corporation and body politic subject to
12 examination by the Auditor General of the Commonwealth, the
13 agency shall be deemed an "eligible lender" as defined in Part B
14 of Title IV of the Federal Higher Education Act of 1965 and in
15 Part C of the Health Professions Educational Assistance Act of
16 1976, and pursuant to the provisions of [the act] those acts and
17 any subsequent amendments thereto or other applicable Federal
18 programs, be entitled to exercise all the authority, rights and
19 privileges of an "eligible lender." Such authority, rights and
20 privileges shall include but not be limited to the following:

21 (i) To do whatever is necessary to enable students [with
22 whom the agency makes an insured loan] who are parties to loans
23 made or guaranteed under this act to qualify for Federal
24 interest subsidy [and], special allowance, loan forgiveness or
25 other applicable benefits.

26 (ii) To charge and collect premiums for insurance on loans
27 and other appropriate charges and pay to the Secretary of
28 Health, Education and Welfare such insurance premiums or other
29 charges as are appropriate or required by applicable Federal
30 statutes or agreements.

1 (iii) To enter into contracts with schools, lenders,
2 individuals, and the Student Loan Marketing Association and
3 other agencies of the Commonwealth, other states and the Federal
4 Government to make, service, invest in, make commitments to
5 purchase, take assignments of, or administer student loans made
6 or insured under this act, the Health Professions Educational
7 Assistance Act of 1976, or other programs approved by the board
8 of directors and to provide for loan forgiveness, loan
9 consolidation, loan referral service and graduated repayment.
10 Loans to lenders made under this subsection may be made under
11 terms and conditions requiring that the funds so loaned be used
12 for the making of loans to categories of students as defined and
13 established by the agency.

14 (iv) To purchase stocks, securities, and the obligations
15 issued by the Student Loan Marketing Association, and to use its
16 insured and other student loans as security for loans and other
17 forms of advances from the Student Loan Marketing Association or
18 others, including lenders participating or investing in loans
19 made under this act.

20 (v) To be issued certificates of loan insurance by the
21 Secretary of Health, Education and Welfare as set forth in
22 Section 732, Part C, Title IV, of the Health Professions
23 Educational Assistance Act of 1976 or other appropriate Federal
24 legislation.

25 (1.2) To pay such interest and costs or any parts thereof as
26 may be established by the agency and on loans guaranteed for
27 individual students who are unable to qualify for payment of
28 interest in their behalf by the Federal Government or other
29 sources of interest subsidy until such time as the individual
30 student qualifies for payment of interest in [his] the student's

1 behalf by the Federal Government of other sources of interest
2 subsidy [or] and over a period and in a manner to be determined
3 by the agency [or as allowed under Federal law when the loan is
4 guaranteed or reinsured under Federal law, graduates, withdraws,
5 is expelled or dismissed, or otherwise ceases to be enrolled on
6 at least a half-time basis at an approved institution].

7 (2) To [provide for monthly payments during this extended
8 period] pay costs and fees incurred by lenders and others in
9 making loans, advancing funds representing loans issued through
10 a line of credit advanced by the agency or the lender and
11 performing other functions on behalf of the agency.

12 (3) To take, hold [and], administer, assign, lend, encumber,
13 mortgage, invest or otherwise dispose of, at public or private
14 sale, on behalf of the agency and for any of its purposes, real
15 property, personal property and moneys or any interest therein
16 including any mortgage or loan interest owned by it or under its
17 control or in its possession, and the income therefrom either
18 absolutely or in trust. The board may acquire property or moneys
19 for such purpose by purchase or lease and by the acceptance of
20 gifts, grants, bequests, devises or loans, and may borrow moneys
21 by making and issuing notes, bonds, and other evidences of
22 indebtedness of the agency and by making and issuing refunding
23 notes, bonds, and other evidences of indebtedness, as the agency
24 may from time to time determine necessary to make and issue, but
25 no obligation of the agency shall be a debt of the State and it
26 shall have no power to pledge the credit or taxing power of the
27 State nor to make its debts payable out of any moneys except
28 those of the corporation. All accrued and future earnings [up to
29 a maximum of six hundred thousand dollars (\$600,000)] from funds
30 invested by the board of directors are hereby appropriated to

1 the agency [to guarantee the loans of moneys as provided in this
2 act and for payment of expenses in] for carrying out all of the
3 functions of the agency [for the fiscal year commencing July 1,
4 1970. The payment of expenses in carrying out the provisions of
5 this act shall be from funds appropriated by the General
6 Assembly for that purpose and for the fiscal year commencing
7 July 1, 1970 one per cent of all funds appropriated by the
8 General Assembly for scholarships to be administered by the
9 agency are hereby appropriated to the agency up to a maximum of
10 three hundred ninety-four thousand dollars (\$394,000) and may be
11 used by it for the payment of expenses of carrying out the
12 provisions of this act; such appropriations shall].
13 Appropriations to the agency may, at the discretion of the
14 board, be augmented by such earnings and other funds as shall
15 become available from time to time including those from the
16 Federal government, insurance premiums and charges assessed by
17 the agency, earnings of the agency, or contributions for the
18 same purpose. For the purpose of administration, the agency
19 shall be subject to the following provisions of "The
20 Administrative Code of 1929:" sections [601, 602, 603 and 604]
21 610, 613, 614 and 615.

22 (4) To enter into contracts with or provide funds to
23 approved and eligible institutions of higher education upon such
24 terms as may be agreed upon between the board and any such
25 institution, to provide for the administration by such
26 institutions of any [guarantee of a] loan made, guaranteed or
27 serviced by the agency including applications therefor and
28 [repayment] disbursement and payment thereof, and to acquire
29 Federal moneys to establish loan programs for students attending
30 such institutions.

1 (5) To establish and from time to time revise and publish a
2 list of approved and eligible institutions of higher education.

3 (6) To adopt rules and regulations not inconsistent with law
4 governing matters relating to its activities and to adopt such
5 other rules and regulations and to perform such other acts as
6 may be necessary or appropriate to comply with applicable
7 Federal legislation.

8 (7) To perform such other acts as may be necessary or
9 appropriate to carry out effectively the objects and purposes of
10 the agency as specified in this act.

11 (8) To take, hold and administer for the purpose of
12 [granting scholarships,] the agency, real property, personal
13 property and moneys, or any interest therein, and the income
14 therefrom, either absolutely or in trust, by the acceptance of
15 gifts, grants, bequests, devises or loans, but no obligation of
16 the agency shall be a debt of the [State] Commonwealth and it
17 shall have no power to pledge the credit or taxing power of the
18 [State] Commonwealth or to make [their] the agency's debts
19 payable out of any moneys except those of the agency.

20 (9) To conduct investigations to determine whether
21 applications or income tax and other data submitted to the
22 agency contain any misrepresentations or false statements made
23 for the purpose of cheating or defrauding. Whoever, by any false
24 pretense, knowingly and with intent to defraud, procures,
25 obtains, or attempts to obtain, or aids, assists, or abets, in
26 obtaining or attempting to obtain from or through the
27 Pennsylvania Higher Education Assistance Agency or under this
28 act any moneys, scholarship awards, educational assistance
29 grants, loans or loan guarantees shall be liable to the agency
30 for an amount equal to three times the amount obtained.

(10) To establish an investigation unit which shall have the power and duty to:

(i) investigate alleged violations of all criminal statutes related to fraud or a breach of fiduciary obligation committed by any person who has obtained or attempted to obtain, or aids, assists, or abets in obtaining or attempting to obtain, scholarship awards, educational assistance grants, loans or loan guarantees or other moneys from the agency; and

(ii) work in conjunction with the appropriate prosecuting authorities in the prosecution of cases where it is determined that evidence of criminal activity exists. In the enforcement of criminal statutes related to fraud or a breach of fiduciary obligation under this clause, the staff of the investigation unit shall have the powers of law enforcement officers.

(11) To execute by writ of execution upon wages, salaries or commissions in the hands of an employer or any other person in order to enforce money judgments for the repayment of all loans authorized, serviced, insured, made or guaranteed under this act or Federal Law: Provided, however, That such power of execution may not be assigned to any other person or agency nor be employed for any other purpose by the agency. Such power of execution may be exercised at the discretion of the agency, but under no circumstances may an amount in excess of ten percent of the pay of an obligor be subject to execution during any given pay period.

Section 3. Section 5 of the act, amended January 18, 1968 (1967 P.L.952, No.424), is amended to read:

Section 5. Capacity of Minors.--Any person otherwise qualifying for a loan made, guaranteed, serviced, or otherwise provided for by the agency, shall not be disqualified by reason

1 of [his] being under the age of [twenty-one] eighteen years
2 and[, for the purpose of applying for, and receiving such
3 guarantee,] any such person shall be deemed to have full legal
4 capacity to act and shall have all the rights, powers,
5 privileges and obligations of a person of full age with respect
6 thereto.

7 Section 4. The act is amended by adding sections to read:

8 Section 5.1. Educational Loan Assistance Fund.--There is
9 hereby created a fund within the State Treasury to be known as
10 the Educational Loan Assistance Fund. The fund shall be a
11 continuing fund in which may be deposited moneys received from
12 repayments of principal on loans from the fund, and payments of
13 interest and other fees and charges with respect to loans made
14 pursuant to this act, insurance premiums and charges assessed
15 and collected by the agency on loans made from the fund,
16 appropriations made to the fund by the General Assembly,
17 proceeds of the sale of notes, bonds or other indebtedness to
18 the extent and in the manner provided in the resolution of the
19 agency authorizing issuance thereof, other moneys received from
20 any other source for the purpose of the fund, and moneys
21 received from the Federal Government of the United States for
22 the purposes of the fund or this act. Except as otherwise
23 provided for in any contract with the bondholders all
24 appropriations and payments made into the fund may be applied
25 and reapplied as the agency shall direct and shall not be
26 subject to lapsing.

27 Section 5.2. Bonds, Notes and other Indebtedness.--(a)
28 Subject to the limitations contained in this section, the agency
29 may from time to time by resolution authorize the issuance of
30 its negotiable bonds, notes and other evidences of indebtedness,

1 including certificates of participation, in such amounts,
2 bearing such interest rates and terms and maturing in such
3 amounts and at such times as the board of directors may
4 prescribe by resolution.

5 (b) Except as otherwise required by the agency, the bonds,
6 notes and other evidences of indebtedness of the agency shall be
7 general obligations of the agency payable out of the proceeds of
8 loans made under this act, reserve funds created therefor by the
9 agency, any insurance contracts pertaining thereto, and other
10 lawfully available money, subject only to any agreements with
11 the holders of the bonds, notes or other evidences of
12 indebtedness of the agency, pledging any particular receipts or
13 revenues. Bonds, notes or other evidences of indebtedness issued
14 under the provisions of this act shall not be deemed to
15 constitute a debt of the Commonwealth or a pledge of the faith
16 and credit of the Commonwealth. All such bonds, notes and other
17 evidences of indebtedness shall contain on the face thereof a
18 statement to the foregoing effect and to the effect that the
19 agency shall be obligated to pay the same or the interest
20 thereon only from such moneys or revenues, proceeds, reserve
21 funds, insurance contracts, and such other moneys of the agency,
22 and that neither the faith and credit nor the taxing power of
23 the Commonwealth is pledged to the payment of the principal of
24 or the interest on such bonds, notes or other evidences of
25 indebtedness.

26 (c) To secure payment of such bonds, notes or other
27 evidences of indebtedness, the agency may establish one or more
28 reserve funds and prescribe by resolution the sources of
29 deposits therein, the investment of amounts therein, and the
30 limitations on withdrawals from such funds. Among others, the

1 agency may create one or more debt service reserve funds wherein
2 specified deposits may be made and may require that such
3 deposits shall be used solely for the payment of principal of,
4 redemption premium, if any, and interest on the agency's bonds,
5 notes or other obligations. The agency may require that
6 withdrawals of amounts in any such debt service reserve fund not
7 be made at any time in such amount as to reduce the amount in
8 such reserve fund to less than the amount which the agency shall
9 determine by resolution to be reasonably necessary for the
10 purposes of such reserve fund (referred to herein as the debt
11 service fund requirement), except for the purpose of paying
12 principal of, redemption premium, if any, and interest on the
13 bonds, notes or any obligations secured by such reserve fund for
14 the payment of which other specified moneys of the agency are
15 not available, and except that any income or interest earned by,
16 or any increment to, any such reserve fund by reason of
17 investment of amounts therein may be transferred to any other
18 fund or account of the agency to the extent such transfer does
19 not reduce the amount in such debt service reserve fund below
20 the amount of its debt service reserve fund requirement.

21 (d) The bonds, notes and other evidences of indebtedness of
22 the agency shall be signed by the chairman who may use a
23 facsimile signature for this purpose. The bonds may be issued as
24 serial bonds payable in annual installments or as term bonds or
25 as a combination thereof. The obligations of the agency shall
26 bear interest at such rate or rates, be in such denominations,
27 have such registration privileges, be executed in such manner,
28 be payable in such medium of payment, at such place or places
29 within or without the Commonwealth, be subject to such terms of
30 redemption and maturity, and contain such other terms as the

board of directors may determine. The notes and bonds of the agency may be sold by the agency at public or private sale at such price or prices as the board of directors determines. If the board of directors whose signature appears on any notes or bonds or coupons ceases to act in that capacity before the delivery of such notes or bonds, his signature is valid and sufficient for all purposes as if he had remained in office until such delivery.

(e) The agency may issue refunding obligations to refund any obligations then outstanding which have been issued under the provisions of this act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and for any statutory purpose of the agency.

(f) No director of the agency nor any person executing bonds, notes or other evidences of indebtedness of the agency shall be subject to personal liability or accountability solely by reason of his execution of such obligations or the issuance thereof.

Section 5.3. Agreements with Bondholders; Lien of Pledge.--

(a) The agency in issuing any bonds, notes or other obligations may contract with the holders thereof as to:

(1) Pledging revenues of the agency to secure the payment of the bonds, notes or other obligations subject to such agreements with holders of obligations of the agency as may then exist.

(2) Pledging assets of the agency to secure the payment of the bonds, notes or other obligations subject to such agreements with holders of obligations of the agency as may then exist.

(3) The setting aside of reserves or sinking funds and the regulation and disposition thereof.

1 (4) Limitations on the purpose to which the proceeds of sale
2 of bonds, notes or other obligations may be applied and pledging
3 such proceeds to secure the payment of the bonds, notes or other
4 obligations or of any issue thereof.

5 (5) Limitations on the issuance and terms of additional
6 bonds, notes or other obligations, and the refunding of
7 outstanding or other bonds, notes or other obligations.

8 (6) The procedure, if any, by which the terms of any
9 contract with noteholders or bondholders may be amended or
10 abrogated, the amount of bonds, notes or other obligations the
11 holder of which must consent thereto, and the manner in which
12 such consent may be given.

13 (7) Vesting in a trustee or trustees such property, rights,
14 powers and duties in trust as the board of directors may
15 determine, which may include any or all of the rights, powers
16 and duties of the trustee appointed by the bondholders pursuant
17 to this act and limiting or abrogating the right of the
18 bondholders to appoint a trustee under this act or limiting the
19 rights, powers and duties of such trustee.

20 (8) Defining the acts which shall constitute a default in
21 the obligations and duties of the agency to the holders of the
22 bonds, notes or other obligations and providing for the rights
23 and remedies of the holders of the bonds, notes and other
24 obligations in case of such default, but such rights and
25 remedies shall not be inconsistent with the general laws of this
26 Commonwealth and the other provisions of this act.

27 (9) Any other matters, of like or different character, which
28 in any way affect the security or protection of the holders of
29 the bonds, notes or other obligations.

30 (b) Any pledge made by the agency is valid and binding from

1 the time when the pledge is made. The revenues, moneys or
2 property so pledged and thereafter received by the agency are
3 immediately subject to the lien of such pledge without any
4 physical delivery thereof or further act, and the lien of any
5 such pledge is valid and binding as against all persons having
6 claims of any kind in tort, contract or otherwise against the
7 agency, whether or not such persons have notice thereof. Neither
8 the proceedings of the agency relating to the bonds, notes or
9 other obligations nor any other instrument by which a pledge is
10 created need be recorded.

11 Section 5.4. Trust Indenture.--Bonds, notes or other
12 evidence of indebtedness issued by the agency may be secured by
13 a trust indenture or trust indentures by and between the agency
14 and a corporate trustee, which may be any trust company or bank
15 having the power of a trust company within or outside this
16 Commonwealth. Such trust indenture may contain such provisions
17 for protecting and enforcing the rights and remedies of the
18 holders thereof, as may be reasonable and proper and not in
19 violation of law, including covenants setting forth the duties
20 of the agency in relation to the exercise of its statutory
21 powers and the custody, safeguarding and application of all
22 moneys. The agency may provide by such trust indenture for the
23 payment of the proceeds of such obligations of the agency and
24 the revenues to the trustee under such trust indenture or other
25 depository, and for the method of disbursement thereof, with
26 such safeguards and restrictions as the board of directors may
27 determine. All expenses incurred in carrying out such trust
28 indenture may be treated as part of the operating expenses of
29 the agency. Such trust indenture may limit or abrogate the right
30 of the holders of any bonds, notes or other obligations of the

1 agency to appoint a trustee under this act or limit the rights,
2 powers and duties of such trustee.

3 Section 5.5. Rules and Regulations.--The rules and
4 regulations of the agency under section 4 (6) relating to the
5 making of loans to lending institutions shall require that such
6 loans (i) be evidenced by instruments delivered by each lending
7 institution to the agency constituting such loan indebtedness a
8 general obligation of such lending institution, and (ii) be
9 secured as to payment by a pledge of and lien upon collateral
10 security. The agency may require that any such security be
11 lodged with a bank or trust company, located within or outside
12 the Commonwealth, designated by the agency as custodian
13 therefor.

14 Section 5.6. Bonds, Notes and Obligations as Legal
15 Investments.--The bonds, notes and other evidences of
16 indebtedness of the agency are securities in which all public
17 officers and bodies of the Commonwealth and all municipalities
18 and municipal subdivisions, all insurance companies and
19 associations, and other persons carrying on an insurance
20 business, all banks, trust companies, savings banks and savings
21 associations, savings and loan associations, investment
22 companies, all administrators, guardians, executors, trustees
23 and other fiduciaries, and all other persons whatsoever who are
24 now or may hereafter be authorized to invest in bonds or other
25 obligations of the Commonwealth may properly and legally invest
26 funds, including capital in their control or belonging to them.

27 Section 5.7. Remedies of Bondholders and Noteholders.--

28 (1) In the event that the agency shall default in the
29 payment of principal of or interest on any issue of bonds, notes
30 or other obligations after the same shall become due, whether at

1 maturity or upon call for redemption, and such default shall
2 continue for a period of thirty days, or in the event that the
3 agency shall fail or refuse to comply with the provisions of
4 this act, or shall default in any agreement made with the
5 holders of any issue of bonds, notes or other obligations, the
6 holders of twenty-five per cent in aggregate principal amount of
7 the bonds, notes or other obligations of such issue then
8 outstanding, by instrument or instruments filed in the office of
9 the clerk of the county in which the principal office of the
10 agency is located, and proved or acknowledged in the same manner
11 as a deed to be recorded, may appoint a trustee to represent the
12 holders of such bonds, notes or other obligations for the
13 purposes herein provided.

14 (2) Such trustee may, and upon written request of the
15 holders of twenty-five percent in the principal amount of such
16 issue of bonds, notes or other obligations then outstanding
17 shall, in his or its own name, (i) by suit, action or
18 proceeding, enforce all rights of the holders of such
19 obligations to require the agency to carry out its agreements
20 with the holders thereof and to perform its duties under this
21 act; (ii) bring suit upon such bonds, notes or other
22 obligations; (iii) by action, suit or proceeding, require the
23 agency to account as if it were the trustee of an express trust
24 for the holders of such bonds, notes or other obligations; (iv)
25 by action, suit or proceeding, enjoin any acts or things which
26 may be unlawful or in violation of the rights of the holders of
27 such bonds, notes or other obligations; and (v) declare all
28 such bonds, notes or other obligations to be immediately due and
29 payable and, if all defaults shall be made good then with the
30 consent of the holders of twenty-five per cent of the principal

1 amount of such issue of bonds, notes or other obligations then
2 outstanding, annul such declaration and its consequences.

3 (3) Such trustee shall in addition to the foregoing have and
4 possess all the powers necessary or appropriate for the exercise
5 of any functions specifically set forth herein or incident to
6 the general representation of holders of such obligations in the
7 enforcement and protection of their rights.

8 Section 5.8. Tax Exemption.--It is hereby determined that
9 the creation of the agency is in all respects for the benefit of
10 the people of the Commonwealth, for the improvement of their
11 health and welfare, and for the promotion of the economy, and
12 that said purposes are public purposes and the agency will be
13 performing an essential governmental function in the exercise of
14 the powers conferred upon it by this act, and the Commonwealth
15 covenants with the purchasers and all subsequent holders and
16 transferees of bonds, notes and other obligations that the
17 bonds, notes and other obligations of the agency issued pursuant
18 to this act and the income therefrom shall at all times be free
19 from taxation, except for estate or gift taxes and taxes on
20 transfers.

21 Section 5.9. Covenant by Commonwealth Not to Limit or Alter
22 Powers Vested in Agency.--The Commonwealth of Pennsylvania does
23 hereby pledge to, covenant and agree with the holders of any
24 bonds, notes or other obligations issued pursuant to the
25 authority of this act, that the Commonwealth will not limit or
26 alter the rights or powers hereby vested in the agency to
27 perform and fulfill the terms of any agreement made with the
28 holders of such bonds, notes or other obligations, or in any way
29 impair the rights or remedies of such holders.

30 Section 5.10. Severability.--The provisions of this act are

1 severable, and if any part or provisions hereof, or the
2 application thereof to any person or circumstance, shall be
3 adjudged by any court of competent jurisdiction to be invalid or
4 unenforceable, such judgment shall not affect, impair or
5 invalidate the remainder of this act or the application of such
6 provision to any other person or circumstance, but shall be
7 confined in its operation to the provision, person or
8 circumstance directly involved in the controversy in which such
9 judgment shall have been rendered.

10 Section 5.11. Venue.--Venue for all legal actions in which
11 the agency is a party shall be proper in Dauphin County and, in
12 the discretion of the agency, in any other county authorized by
13 law.

14 Section 5. This act shall take effect immediately.