



- (d) Require that any equipment, property, or other items purchased with loan funds become the property of the state if the loan is not fully repaid.
- (4) Authorizes BESE to reject any request for loan funding which does not comply with proposed law.
- (5) Provides that loans shall not exceed \$100,000 and shall be used only to pay for school start-up or expansion expenses as provided by proposed law and state board rule.
- (6) Loan funds may not be used to pay prior debts of the organization, corporation or other legal entity which owns, operates, or has any other legal authority over the school, any of the natural persons principally involved in the administration or operation of the school, or any former or current business or nonprofit venture of any such natural persons for any purchase not related to the school, or to pay to members of the immediate family of any such natural persons, or to make any investments.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 17:4033)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Education to the original bill

1. Removes all references to nonpublic schools.
2. Adds requirement that BESE seek guidance from OFI when adopting rules that govern the loan application and approval process.
3. Adds requirement that BESE be given superior lien status against the collateral.
4. Adds requirement that loans have a minimum loan-to-value ratio of 80%.
5. Adds requirement that the loan applicant provide all financial documentation to BESE to prove financial soundness.