

IC 21-34-7

Chapter 7. Grant Anticipation Loans

IC 21-34-7-1

Written contract for grants

Sec. 1. (a) The board of trustees of a state educational institution that has entered into a written contract for a grant, pending the receipt of the grant, but within the limitations set forth in section 2 of this chapter, may:

- (1) borrow from any person; and
- (2) evidence the debt by a note or a series of notes of equal or unequal amounts containing the terms and conditions that the board of trustees of the state educational institution prescribes.

(b) Any note may pledge, for the payment of the principal and interest of the note:

- (1) the proceeds of the grant; and
- (2) any revenue that may be derived from the building facility being constructed, acquired, renovated, or improved by the proceeds of the note or notes.

As added by P.L.2-2007, SEC.275. Amended by P.L.3-2008, SEC.139.

IC 21-34-7-2

Maximum amount of grant anticipation loan; sources of payment

Sec. 2. A grant anticipation loan may not exceed the estimated aggregate amount of the grant or grants in anticipation of which the loan is made. The grant anticipation note must be structured to amortize and to pay principal of and interest on the loan in accordance with anticipated receipts of the grant or grants. A grant anticipation note may also be payable from other revenues or amounts available for pledge under IC 21-34-6-2.

As added by P.L.2-2007, SEC.275. Amended by P.L.79-2010, SEC.6.

IC 21-34-7-3

Notes for a grant anticipation loan

Sec. 3. The notes for a grant anticipation loan must be:

- (1) executed in the same manner as provided for bonds in IC 21-34-6-18; and
- (2) sold in the same manner as provided for bonds in IC 21-34-6-8 through IC 21-34-6-17.

As added by P.L.2-2007, SEC.275.

IC 21-34-7-4

Proceeds of a grant anticipation loan

Sec. 4. The board of trustees of a state educational institution shall apply the proceeds of any grant anticipation notes to those items of cost for which the grant has been allocated by the granting agencies. The purchaser of any notes:

(1) is not liable for any improper use of the proceeds; and
(2) does not have to insure that the amount of the loan stays within the maximum limits specified in section 2 of this chapter as grant funds are received by the state educational institution.

As added by P.L.2-2007, SEC.275.