

**RCW 28B.07.320 Revenue bonds—Issuance—Payment—Personal liability.** (1) The authority may, from time to time, issue revenue bonds in order to carry out the purposes of this chapter.

(2) The bonds shall be issued pursuant to a bond resolution or trust indenture and shall be payable solely out of the special fund or funds created by the authority in the bond resolution or trust indenture. Any security interest created against the unexpended bond proceeds and against the special funds created by the authority shall be immediately valid and binding against the moneys and any securities in which the moneys may be invested without authority or trustee possession, and the security interest shall be prior to any party having any competing claim against the moneys or securities, without filing or recording under Article 62A.9A of the uniform commercial code, and regardless of whether the party has notice of the security interest.

(3) The obligations shall be payable from and secured by a pledge of revenues derived from or by reason of ownership of guaranteed educational loans and investment income, after deduction of expenses of operating the authority's program.

(4) The bonds may be issued as serial bonds or as term bonds or any such combination. The bonds shall bear such date or dates; mature at such time or times; bear interest at such rate or rates, either fixed or variable; be payable at such time or times; be in such denominations; be in such form; carry such registration privileges; be made transferable, exchangeable, and interchangeable; be payable in lawful money of the United States of America at such place or places; be subject to such terms of redemption; and be sold at public or private sale, in such manner, at such time, and at such price as the authority shall determine. The bonds shall be executed by the manual or facsimile signatures of the chairperson and the authority's duly elected secretary or its executive director, and by the trustee if the authority determines to use a trustee. At least one signature shall be manually subscribed.

(5) Any bond resolution, trust indenture, or other financing document may contain provisions, which may be made a part of the contract with the holders or owners of the bonds to be issued, pertaining to the following, among other matters: (a) The security interests granted to the holders or owners of the bonds to secure repayment of the bonds; (b) the segregation of reserves or sinking funds, and the regulation, investment, and disposition thereof; (c) limitations on the purposes to which, or the investments in which, the proceeds of the sale of any issue of bonds may be applied; (d) terms pertaining to the issuance of additional parity bonds; (e) the refunding of outstanding bonds; (f) procedures, if any, by which the terms of any contract with bondholders may be amended or abrogated; (g) events of default as well as rights and remedies in the event of a default including without limitation the right to declare all principal and interest immediately due and payable; (h) terms governing performance by the trustee of its obligation; or (i) such other additional covenants, agreements, and provisions as are deemed necessary, useful, or convenient by the authority for the security of the holders of the bonds.

(6) All bonds and any interest coupons appertaining to the bonds shall be negotiable instruments under Title 62A RCW.

(7) Neither the members of the authority, nor its employees or agents, nor any person executing the bonds shall be liable personally

on the bonds or be subject to any personal liability or accountability by reason of the issuance of the bonds.

(8) The authority may purchase its bonds with any of its funds available for the purchase. The authority may hold, pledge, cancel, or resell the bonds subject to and in accordance with agreements with bondholders.

(9) Bonds issued under this chapter shall not be deemed to constitute obligations, either general or special, of the state or of any political subdivision of the state, or a pledge of the faith and credit of the state or of any political subdivision, or a general obligation of the authority. The bonds shall be special obligations of the authority and shall be payable solely from the special fund or funds created by the authority in the bond resolution or trust indenture pursuant to which the bonds were issued. The issuance of bonds under this chapter shall not obligate, directly, indirectly, or contingently, the state or any political subdivision of the state to levy any taxes or appropriate or expend any funds for the payment of the principal or the interest on the bonds.

(10) Neither the proceeds of bonds issued under this chapter, any moneys used or to be used to pay the principal of or interest on the bonds, nor any moneys received by the authority to defray its administrative costs shall constitute public money or property. All of such moneys shall be kept segregated and set apart from funds of the state and any political subdivision of the state and shall not be subject to appropriation or allotment by the state or subject to the provisions of chapter 43.88 RCW. [2007 c 36 § 5.]

**Policy—Purpose—2007 c 36:** See note following RCW 28B.07.300.