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<th>Department of Finance</th>
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<td>STATE OF CALIFORNIA</td>
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<td>MANUAL OF STATE FUNDS</td>
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**Legal Title**  
Federal Student Loan Reserve Fund

**Legal Citation/Authority**  
Chapter 9, Statutes of 2009-2010 (AB 13XXX)  
Education Code section 69766(a)

**Fund Classification**  
**GAAP Basis**  
Fiduciary Funds/Agency Funds

**Legal Basis**  
Nongovernmental/Trust and Agency Funds – Federal

**Purpose**  
Federal funds portion of a guaranteed loan program administered in accordance with federal laws and regulations.

**Administering Agency/Organization Code**  
Student Aid Commission/Org 6980

**Major Revenue Source**  
Federal funds received in accordance with the Federal Family Education Loan Program and could include a transfer from the State Guaranteed Loan Reserve Fund (0951).

**Disposition of Fund (upon abolishment)**  
Any federal money remaining in this fund upon abolishment shall be returned to the federal program that issued the funds. Any state money transferred to this fund shall, pursuant to Government Code 16346, absent language that identifies a successor fund, be transferred to the General Fund.

**Appropriation Authority**  
Continuously appropriated

**State Appropriations Limit**  
**Always Excluded** – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund (Federal).

**Comments/Historical Information**  
Chapter 636, Statutes of 1999 created this fund.  
The State Treasurer’s Office shall invest any surplus money and the resulting interest shall be deposited into this fund. The U.S. Department of Education (ED) terminated California Student Aid Commission as the guaranty agency effective November 1, 2010. ED transferred the guaranty along with the Federal Family Education Loan (FFEL) program portfolio to ECMC. All funds have been transferred as directed by ED.  
Pursuant to the Governor’s Reorganization Plan 2, the Administering Agency’s Organization Code changed from Org 7980 to Org 6980, effective July 1, 2013.