

Chapter 348

1969 REPLACEMENT PART

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LOANS

348.010 Higher Education Student Loan Fund; student loans under terms of certain federal statutes. (1) There is established in the General Fund of the State Treasury a Higher Education Student Loan Fund, which shall consist of all moneys made available to the State Board of Higher Education for student loan purposes by state appropriations under terms of the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto. All moneys in such special fund hereby are appropriated for the purpose of granting student loans under the terms established by the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto.

(2) The repayment in whole or part of any student loan made under terms of the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto, shall be made pursuant to the provisions of the applicable federal statutes and repayment to the Higher Education Student Loan Fund shall be made in accordance with applicable federal statutes; all funds received under the federal statutes cited in this section and all state matching funds are hereby continuously appropriated for the purpose for which the funds are made available to the State of Oregon.

(3) Disbursements from the Higher Education Student Loan Fund shall be made as directed by the State Board of Higher Education. The board shall keep a record of all moneys deposited in such fund. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the state institutions of higher education against which each withdrawal is charged.

[Formerly 351.570]

348.040 Definitions for ORS 348.040 to 348.080. As used in ORS 348.040 to 348.080, unless the context requires otherwise:

(1) "Eligible student" means a person who has been a resident of this state for at

least one year prior to application for a loan under ORS 348.040 to 348.080:

(a) Who is enrolled in or has applied for enrollment in a qualified school;

(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which he is enrolled; and

(c) Who can show the necessity for financial assistance in order to continue his education.

(2) "Qualified school" means a school within this state which is a:

(a) Four-year, nonprofit, generally accredited institution of higher education;

(b) Accredited public or private community college or education center, or one recognized by a state educational agency;

(c) Vocational school that is approved by the Superintendent of Public Instruction; or

(d) Institution which is, in the opinion of the State Scholarship Commission, comparable to such institutions, colleges, centers or schools.

When the State Scholarship Commission certifies that the course is not available within this state, a qualified school may include an institution, college, center or school not located in this state.

[1965 c.532 §1]

348.050 Student loans from Common School Fund; terms and conditions. (1) Upon approval of the loan application of an eligible student by the State Scholarship Commission, the Division of State Lands may loan an amount from the Common School Fund to the student in compliance with ORS 348.040 to 348.080. The loan shall be evidenced by a written obligation but no additional security shall be required.

(2) Loans granted under ORS 348.040 to 348.080 to eligible students by the division shall:

(a) Not exceed \$1,000 in a single academic year to an undergraduate student.

(b) Not exceed \$1,500 in a single academic year to a graduate or professional student.

(c) Not exceed \$7,500 for all loans made to a student under ORS 348.040 to 348.080.

(d) Require the payment of seven percent interest per annum on the unpaid balance from the date of the loan, to be paid annually from the date of the loan.

(3) Repayment of the principal on loans shall not be required to be commenced sooner than nine months after the student's graduation or other termination of his education nor to be completed sooner than 60 months after repayment begins. However, nothing in this section is intended to prevent repayment at an earlier date than provided in this section or to prohibit the division, with the consent of the State Scholarship Commission, from extending the repayment period to a date other than permitted by this subsection.

[1965 c.532 §2; 1969 c.573 §3]

348.060 Loan obligation enforceable against person under 21. (1) Notwithstanding any other provision of law, any written obligation made by any person less than 21 years of age to repay or secure payment of a loan made in compliance with ORS 348.040 to 348.080, or which forms part of the transaction of making such a loan, shall be as valid and binding as if the student were, at the time of making and executing the obligation, 21 years of age.

(2) Any obligation made in compliance with ORS 348.040 to 348.080 may be enforced in any action or proceeding by or against such student in his name and shall be valid, in so far as the issue of age is concerned, without the consent of the parent or guardian of the student. The student may not disaffirm the obligation because of age nor may any student interpose in any action or proceeding arising out of the loan the defense that he is or was, at the time of making or executing the obligation, a minor.

[1965 c.532 §3]

348.070 List of suitable vocational schools. To assist the State Scholarship Commission and the Division of State Lands in determining the qualification of schools, the Superintendent of Public Instruction shall maintain a listing of vocational schools offering vocational and technical training that meets the occupational needs of the student.

[1965 c.532 §4]

348.080 [1965 c.532 §10; repealed by 1967 c.477 §5]

348.090 Loans guaranteed by state agency; payment of interest. In addition to and not in lieu of student loans authorized pursuant to ORS 348.040 to 348.070, the Division of State Lands may make loans to students who are Oregon residents if the loans are guaranteed by a state agency. The terms, conditions and rates of interest of

such loans may be determined by the division so as to take advantage of any federal statute providing for full or partial payment of interest on such loans.

[1967 c.477 §4]

SCHOLARSHIPS

348.210 Scholarships at state institutions under jurisdiction of State Board of Higher Education. (1) In addition to any other scholarships provided by law, the State Scholarship Commission may award scholarships in any state institution of higher learning in Oregon, or in any institution which may come under the jurisdiction of the State Board of Higher Education, not to exceed two and one-half percent of the enrollment therein, to students applying for enrollment in such institutions or who are pursuing courses therein. The scholarships shall be awarded upon the basis of a record of high intellectual standing and deportment in the school or institution where the applicant has received or is receiving preparatory training, the necessity for financial assistance and other qualifications of such nature that the awarding of scholarships will operate not only to the advantage of the applicant but to the people of Oregon. No scholarship so awarded shall exceed in value the amount of the tuition and other fees which are levied against the recipient of the scholarship by the State Board of Higher Education at the institution in which the student registers.

(2) The commission may also award tuition fee-exempting scholarships on the same basis in the Oregon College of Education, Eastern Oregon College and Southern Oregon College, to students desiring to study elementary teacher training, which scholarships shall not exceed in number 10 percent of the students enrolled in the elementary teacher training curricula at the institutions in which the scholarship is granted.

[Formerly 351.120 and then 351.605; amended by 1967 c.530 §6]

348.220 Scholarships to nonresidents at state institutions under jurisdiction of board. In addition to the scholarships otherwise authorized in ORS 348.210, the State Scholarship Commission may award tuition fee-exempting scholarships in any state institution of higher learning in this state to students who are not residents of the State of Oregon. However, the value of scholarships awarded under this section shall not exceed

in aggregate an amount equal to 10 percent of the estimated amount of tuition and fees paid to the state institution by students enrolled therein who are not Oregon residents within the meaning of this section.

[Formerly 351.610; amended by 1967 c.530 §7]

348.230 Scholarships at any accredited institution of higher education in this state; qualified applicants; renewals. (1) In addition to any other scholarships provided by law, the State Scholarship Commission may award to qualified residents of this state scholarships in any four-year, nonprofit, generally accredited institution of higher education located in this state.

(2) A qualified applicant is one who has an achievement of high intellectual standing and deportment in the school or institution on the records of which the application is based, and who demonstrates, to the satisfaction of the commission, that he has superior capacity to profit by higher education.

(3) If the recipient of a scholarship under this section meets the standards for renewal of that scholarship, the scholarship may be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate scholarship years under this section or until he has completed his undergraduate course of study, whichever is less.

(4) Nothing in subsection (3) of this section shall be construed to mean that the commission may not increase or reduce the amount of the scholarship upon application for renewal.

[Formerly 351.620]

348.240 Number of scholarships at state institutions of higher education; preferences; qualified applicants; value; renewals. (1) The State Scholarship Commission shall award annually a number of scholarships equal to the number of seats in the Legislative Assembly and a number of scholarships equal to the number of counties in the state. Each scholarship shall be for a maximum of four years providing the recipient remains qualified.

(2) In awarding the scholarships under this section, the commission shall give preference to a number of qualified applicants from each state representative or senatorial district equal to the number of Representatives and Senators from such districts serving in the Legislative Assembly and to one qualified applicant from each county in the state. However, in the absence of a sufficient number of

qualified applicants from any such district or county, the commission shall award any unawarded scholarship to an otherwise qualified applicant.

(3) A qualified applicant is one who ranks scholastically in the upper one-half of his high school class, or who demonstrates, to the satisfaction of the commission, that he has superior capacity to profit by higher education.

(4) No scholarship shall exceed in value the amount of the tuition and other fees which are levied against the recipient of the scholarship by the State Board of Higher Education at the institution which the student attends. The commission shall determine for each institution what fees are covered by the scholarship.

(5) A scholarship winner under this section may use his scholarship at any state institution of higher education located in this state.

(6) If the recipient of a scholarship under this section meets the standards for renewal of that scholarship, the scholarship shall be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate scholarship years under this section or until he has completed his undergraduate course of study, whichever is less.

(7) In addition to any scholarship which is renewed as provided in subsection (6) of this section, the commission shall annually award new scholarships as provided in subsection (1) of this section. Nothing in this section shall require the commission to award a scholarship if there are no qualified applicants therefor.

(8) No scholarship shall be canceled because an award winner changes his residence to another place within this state.

[Formerly 351.625]

348.250 Procedure for awarding scholarships under ORS 348.230 and 348.240. (1) Scholarships established under ORS 348.230 and 348.240 shall be awarded by the State Scholarship Commission in the manner provided in this section.

(2) Prior to March 1 each year, any person interested in obtaining a scholarship established under ORS 348.230 and 348.240 may apply to the commission for a scholarship.

(3) The commission shall screen or cause to be screened the applications and shall determine for each available scholarship the person best qualified to receive that scholarship. A qualified applicant is eligible to receive

a scholarship established under ORS 348.230 or 348.240 if:

(a) His financial resources are such that in the opinion of the commission financial aid is warranted although perhaps not absolutely necessary; and

(b) He plans to be a full-time student at the institution of higher education where the scholarship is to be used.

(4) The commission shall not discriminate for or against any applicant for a scholarship because of his race or religion.

(5) Nothing in ORS 348.210 to 348.350 and 348.505 to 348.600 shall be construed to require any institution to admit a scholarship award winner or to attempt to control or influence the policies of the institution.

[Formerly 351.630]

AID PROGRAM FOR STUDENTS AT PRIVATE COLLEGES

348.305 Policy. The State of Oregon can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of his capability. It is therefore the policy of the Legislative Assembly and the purpose of ORS 348.305 to 348.375 to establish an Oregon student financial aid program designed to assist students from among Oregon's high school graduates to continue their education in an approved post-secondary institution of their choice.

[1969 c.624 §1]

348.315 Definitions for ORS 348.305 to 348.375. As used in ORS 348.305 to 348.375, unless the context requires otherwise:

(1) "Approved post-secondary institutions" means any nonstate operated, four-year college or university in this state that is accredited by the Northwest Association of Secondary and Higher Schools.

(2) "Commission" means the State Scholarship Commission.

(3) "Full-time student" means any student graduated from a high school in Oregon and carrying at least 12 credit hours per term or its equivalent.

[1969 c.624 §2]

348.325 Eligibility for grant. To be eligible for a grant under ORS 348.305 to 348.375, a student must:

(1) Meet state residency requirements set by the commission.

(2) Meet minimum academic qualifications equivalent to those required for regular admission to an approved post-secondary institution.

(3) Be a citizen or permanent resident of the United States.

(4) Be accepted for admission to an approved post-secondary institution or be a full-time student therein.

[1969 c.624 §3]

348.335 Awarding of grants. Grants established under ORS 348.305 to 348.375 shall be awarded by the commission in the manner provided in this section.

(1) The commission annually shall review applications from students interested in obtaining grants established under ORS 348.305 to 348.375 and may make grants to the first 6,484 eligible students in 1969-70 and to the first 6,767 eligible students in 1970-71.

(2) Each grant shall be for \$100 for each school year.

(3) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(4) For any student who does not complete the school year for which the grant was received the college of his attendance shall refund to the commission the unused portion of the grant determined on the basis of the relationship of the months of the school year completed to the months in the total school year at the approved post-secondary institution in which he is enrolled.

(5) The commission may renew a grant as long as the recipient retains eligibility as defined in ORS 348.325, and until the recipient has received a total of four undergraduate academic-year grants under ORS 348.305 to 348.375 or until he has completed his undergraduate course of study, whichever is less.

[1969 c.624 §4]

348.345 Use of grant; how payable. A grant recipient under ORS 348.305 to 348.375 must attend the Oregon post-secondary institution upon which his grant application is based unless the commission authorizes the recipient to use the grant at a different institution. The commission may make the grant payable jointly to the student and the approved post-secondary institution upon which his grant application is based.

[1969 c.624 §5]

348.355 Effect of grants on admissions standards. Nothing in ORS 348.305 to 348.375 is intended to interfere with the authority of an approved post-secondary institution to

evaluate admissibility to the institution. Admission remains the sole responsibility of the post-secondary institution to which students apply.

[1969 c.624 §6]

348.365 Rules and regulations. In accordance with any applicable provisions of ORS chapter 183, the commission may make such reasonable rules and regulations as are necessary or proper to carry out the provisions of ORS 348.305 to 348.375.

[1969 c.624 §8]

348.375 Separability. If a part of ORS 348.305 to 348.375 is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of ORS 348.305 to 348.375 is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

[1969 c.624 §9]

STATE SCHOLARSHIP COMMISSION

348.505 "Financial aid" defined. As used in ORS 348.505 to 348.620, "financial aid" includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high school education.

[1967 c.430 §2]

348.510 State Scholarship Commission; term; vacancy; confirmation. (1) There hereby is created a State Scholarship Commission consisting of five members, appointed by the Governor.

(2) The term of office of a member of the commission is four years, and, after confirmation of the appointment by the Senate, the member shall serve at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor to succeed the member whose term is expiring. A successor appointed for a full term shall assume his duties on July 1 following the appointment. A member is eligible for reappointment. In case of a vacancy on the commission for any cause, except where the vacancy is caused by the normal expiration of a member's term, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The appointment of a member of the commission is subject to confirmation by the Senate in the manner provided in ORS

171.570. If an appointment is made in the interim between legislative sessions, the Senate shall act through the Committee on Executive Appointments provided by ORS 171.560 in the manner provided in that section; and the member so appointed is subject to confirmation by the Senate when it next convenes.

(4) One member of the commission shall be a representative of the State Board of Higher Education, selected from a list of not less than three names submitted by the board. One member of the commission shall be a representative of the State Board of Education, selected from a list of not less than three names submitted by the board. Other members of the commission shall be citizens of the state chosen for their knowledge of and interest in education, but these other members shall not be persons employed by or members of the governing board of any institution of higher education located in the state.

[Formerly 351.635; amended by 1967 c.430 §3; 1969 c.695 §5]

348.520 Duties. The State Scholarship Commission shall:

(1) Make available to qualified persons financial aid from financial sources available to the commission.

(2) Determine qualifications of persons to receive financial aid.

(3) Maintain reports and records on persons applying for and receiving financial aid from the commission.

(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.

(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.

(6) Encourage the establishment of financial aid programs by private agencies.

(7) Collect and disseminate information pertaining to all types of available financial aid.

(8) Serve as an advisory council to the Educational Coordinating Council.

[Formerly 351.640; amended by 1967 c.430 §4]

348.530 Powers. The State Scholarship Commission may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

(6) Adopt such rules as may be necessary to carry out the provisions of ORS 348.505 to 348.620.

(7) Cooperatively coordinate all types of financial aid activities.

(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

(9) Guarantee loans by eligible lending institutions to student residents enrolled or accepted for enrollment under the provisions of the Higher Education Act of 1965 (Public Law 89-329) and the National Vocational Student Loan Insurance Act of 1965 (Public Law 89-287), and determine the dollar volume of each type of loan to be accepted for guarantee purposes.

[Formerly 351.645; amended by 1967 c.430 §5]

348.540 Officers of commission; quorum; meetings. (1) The commission shall select one of its members as chairman, and another as vice chairman, for such terms and with such powers and duties necessary for the performance of the functions of such offices as the commission shall determine.

(2) A majority of the commission constitutes a quorum for the transaction of business.

(3) The commission shall meet at the call of the chairman or of a majority of the members of the commission.

[Formerly 351.650]

348.550 Compensation and expenses of commission members. A member of the commission is entitled to compensation and expenses as provided in ORS 292.495.

[Formerly 351.655; amended by 1969 c.314 §24]

348.560 Staff; office space. Subject to any applicable provisions of the State Merit System Law, the commission may employ and fix the compensation of any employes it deems necessary for the effective conduct of the work under its charge. The commission may also arrange with the State System of Higher Education for use of staff and office space under the jurisdiction of the State System of Higher Education.

[Formerly 351.660]

348.570 State Scholarship Commission Fund; Student Loan Guarantee Fund. (1) There hereby is established in the State Treasury a fund, separate and apart from the General Fund, to be known as the "State Scholarship Commission Fund" for investment as provided by ORS 293.701 to 293.776 and for the payment of the expenses of the commission in carrying out the purposes of ORS 348.210 to 348.250 and 348.505 to 348.600.

(2) There hereby is established in the State Treasury a fund, separate and apart from the General Fund to be known as the "Student Loan Guarantee Fund," which may be invested in the same manner as the State Scholarship Commission Fund. A trust account shall be established within this fund to receive funds from federal, state or private sources for the purpose of guarantying payment of loans made by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution under the provisions of the Higher Education Act of 1965 (Public Law 89-329). An administrative account shall also be established within this fund to which student loan fees, grants, or donations from federal, state or private sources for administrative expenses of guarantying student loans shall be deposited. The trust account and the administrative account, including the respective interest earnings on account balances, if any, are continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission. Funds may be transferred from the administrative account to the trust account for the purpose of guarantying loans and for reimbursing lending institutions for defaulted loans.

(3) Out of the moneys in the General Fund, there is continuously appropriated to the State Scholarship Commission such sums as are necessary, but not to exceed \$240,000 in total, to guarantee payment of loans made

by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution under the provisions of the Higher Education Act of 1965 (Public Law 89-329). Funds may be disbursed from this appropriation on order of the State Scholarship Commission to reimburse eligible lending institutions where the lendee has failed to repay the principal sum of any loan specifically guaranteed by the appropriation made by this subsection.

[Formerly 351.665; amended by 1967 c.335 §41; 1967 c.430 §§6, 7; 1969 c.573 §4]

348.575 Crediting of late loan repayments. The amount of any loan payments that are paid after the State Scholarship Commission has disbursed funds from any guaranty funds under its jurisdiction to reimburse a lending institution which the lendee has failed to repay on time shall be credited to the guaranty funds, the Student Loan Guaranty Fund or the appropriation under subsection (3) of ORS 348.570 respectively, from which the reimbursement was made.

[1969 c.573 §2]

348.580 Use of gifts or funds received by commission. All gifts or scholarship grant funds received by the commission shall be placed in the hands of the State Treasurer, who is designated as the custodian thereof and who may hold, in the manner provided by law, the principal and interest on the gifts and grants. Funds may be withdrawn periodically by the commission to make payments upon scholarships awarded by the commission.

[Formerly 351.670; amended by 1967 c.335 §42]

348.590 Continuous appropriation of certain funds. All funds for and relating to scholarships received by the State Scholarship Commission pursuant to federal grant or from any other source, except moneys appropriated from the State Treasury for a specified period of time, hereby are continuously appropriated to the commission for the purposes for which such funds were provided and received by the commission.

[Formerly 351.672]

348.600 Rules and regulations. In accordance with any applicable provisions of ORS chapter 183, the commission may make such reasonable rules and regulations as are necessary or proper to carry out the provisions of ORS 348.210 to 348.250 and 348.505 to 348.600.

[Formerly 351.675]

348.610 Loan obligation enforceable against person under 21. Notwithstanding any other provision of law, any contract, promissory note or other written obligation made by any minor to repay or secure payment of a loan made under the provisions of ORS 348.505 to 348.620, payment of which is guaranteed by the State Scholarship Commission, or which forms part of the same transaction as the making of such loan, shall be as valid and binding as if the person were, at the time of making and executing the same, of the age of 21 years. The obligation may be enforced in any action or proceeding by or against such person in his or her own name, and shall be valid without the consent thereto of the parent or guardian of such person. The person shall not disaffirm such instrument because of his or her age, nor shall any person hereafter interpose the defense that he or she is, or was, at the time of making and executing the same, a minor in any action or proceeding arising in the enforcement of any such loan.

[1967 c.430 §8]

348.620 Loan cancellation insurance.

(1) The State Scholarship Commission may obtain loan cancellation insurance for any person holding a loan under ORS 348.505 to 348.530, 348.570, 348.610 and 348.620.

(2) Such insurance shall insure the life of the student who borrows under ORS 348.505 to 348.530, 348.570, 348.610 and 348.620 for the amount of the principal and interest due on the loan and the State of Oregon shall be named as the beneficiary. If the borrower dies before repaying the loan, the insurance shall be used to pay the balance of the loan and the commission shall issue a satisfaction of the obligation.

(3) The Executive Department shall procure bids for the purchasing of insurance in compliance with the laws governing the purchase and furnishing of services to state agencies.

[1967 c.430 §9]

MISCELLANEOUS

348.805 Loan obligations enforceable by community college or state institution of higher education against person under 21. (1) Notwithstanding any other provision of law, any written obligation made by any person less than 21 years of age to repay or secure payment of a loan made from funds available to area education district boards and the State Board of Higher Education or any of

the institutions or departments under its jurisdiction and control shall be as valid and binding as if the person were, at the time of making and executing the obligation, 21 years of age.

(2) Any obligation mentioned in subsection (1) of this section may be enforced in any action or proceeding against such person in his name and shall be valid, in so far as the issue of age is concerned, without the consent of the parent or guardian of such person. Such person may not disaffirm the obligation

because of age nor may such person interpose in any action or proceeding arising out of the loan the defense that he is, or was, at the time of making or executing the obligation, a minor.

[1969 c.182 §1]

PENALTIES

348.990 Penalties. Violation of ORS 348.210 is a misdemeanor.

[Derived from 351.990]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Robert W. Lundy, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,
on December 1, 1969.

Robert W. Lundy
Legislative Counsel

CHAPTERS 349 AND 350 **[Reserved for expansion]**

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