

# HOUSE BILL No. 4291

February 15, 1991, Introduced by Reps. Hertel, Hoffman, Bartnik, Owen, Rocca and Muxlow and referred to the Committee on Military and Veterans' Affairs.

A bill to amend sections 4a and 12 of Act No. 222 of the Public Acts of 1975, entitled as amended "Higher education loan authority act," section 4a as added by Act No. 96 of the Public Acts of 1989 and section 12 as amended by Act No. 206 of the Public Acts of 1987, being sections 390.1154a and 390.1162 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 4a and 12 of Act No. 222 of the Public  
2 Acts of 1975, section 4a as added by Act No. 96 of the Public  
3 Acts of 1989 and section 12 as amended by Act No. 206 of the  
4 Public Acts of 1987, being sections 390.1154a and 390.1162 of the  
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 4a. (1) In addition to the powers enumerated in  
7 section 4, the authority may loan money to students or parents of

1 students who are residents of this state to assist them to pay  
2 for the cost of the student's attendance at a degree-granting  
3 college or university located in this state. The authority shall  
4 promulgate rules under the administrative procedures act of 1969,  
5 Act No. 306 of the Public Acts of 1969, being sections 24.201 to  
6 24.328 of the Michigan Compiled Laws, to establish payment and  
7 repayment terms for the loans authorized under this section.

8 (2) IF A STUDENT HAS BEEN CONVICTED OF HARASSMENT OF MILI-  
9 TARY PERSONNEL IN VIOLATION OF SECTION 147C OF THE MICHIGAN PENAL  
10 CODE, ACT NO. 328 OF THE PUBLIC ACTS OF 1931, BEING SECTION  
11 750.147C OF THE MICHIGAN COMPILED LAWS, THE STUDENT IS INELIGIBLE  
12 FOR A LOAN UNDER THIS SECTION, AND THE STUDENT'S PARENTS ARE  
13 INELIGIBLE FOR A LOAN UNDER THIS SECTION TO THE EXTENT THAT THE  
14 LOAN IS TO BE USED TO PAY FOR THE EDUCATIONAL EXPENSES OF THE  
15 CONVICTED STUDENT.

16 Sec. 12. (1) ~~The~~ UNLESS THE STUDENT OR THE PARENTS OF A  
17 STUDENT ARE INELIGIBLE UNDER SUBSECTION (4) OR (5), THE authority  
18 may make ~~loans to students~~ A LOAN TO A STUDENT enrolled or to  
19 be enrolled in AN eligible ~~institutions~~ INSTITUTION or to the  
20 parents of ~~students~~ A STUDENT out of ~~moneys~~ MONEY available  
21 to the authority for loans. The authority shall promulgate rules  
22 for determining the needs of the respective students and parents  
23 of students for loans and for the purpose of making loans. The  
24 amount of a loan made by the authority to a student or parent of  
25 a student, whether the student is enrolled or is to be enrolled  
26 in a private institution or a tax-supported public institution,  
27 shall be determined by the authority upon the basis of

1 substantially similar standards and guides for any authority loan  
2 program set forth in the authority's rules. The authority, in  
3 determining the needs of ~~students~~ A STUDENT or parents of  
4 ~~students~~ A STUDENT for loans, may consider the amount of  
5 assistance available to the ~~students~~ STUDENT.

6 (2) At the time the authority makes a loan, and again when a  
7 repayment schedule on the loan is provided to the borrower, the  
8 authority shall describe in detail whether an option exists, and  
9 if so, who may exercise the option, under what conditions the  
10 option may be exercised, and what options are available relating  
11 to all of the following:

12 (a) The term of the loan.

13 (b) The repayment period on the loan.

14 (c) An extension of the term or repayment period on the loan  
15 and the conditions of repayment under the extension.

16 (d) A deferment or forbearance on the repayment of the loan  
17 or on interest accruing on the loan, whether interest is to be  
18 paid during the deferment or forbearance, and the terms of repay-  
19 ment after the deferment or forbearance.

20 (e) The period of time between installment payments on the  
21 loan and whether graduated or unequal installment payments may be  
22 made.

23 (f) The minimum annual payment on the loan, and if more than  
24 1 loan is taken from the authority or if the borrower takes or  
25 has taken an educational loan from another source, the availabil-  
26 ity of consolidation, transfer, or assignment of the loans and  
27 the minimum annual payment on the aggregate of the loans.

1 (g) The availability of loan counseling to answer questions  
2 relating to repayment options.

3 (h) The revision or renegotiation of the repayment schedule  
4 on the loan after repayment has commenced, or if other educa-  
5 tional loans from the authority or another source are taken after  
6 the repayment has commenced.

7 (3) On loans made by the authority ~~which~~ THAT are feder-  
8 ally reinsured loans, the authority may establish variable repay-  
9 ment schedules conforming to the need and documented income  
10 levels of borrowers, if the schedules are not inconsistent with  
11 the federal laws, rules, or regulations governing the reinsured  
12 loans. A borrower making payments on a loan may request and be  
13 granted a revised repayment term or schedule based upon the  
14 established variable repayment schedules.

15 (4) IF A STUDENT HAS BEEN CONVICTED OF HARASSMENT OF MILI-  
16 TARY PERSONNEL IN VIOLATION OF SECTION 147C OF THE MICHIGAN PENAL  
17 CODE, ACT NO. 328 OF THE PUBLIC ACTS OF 1931, BEING  
18 SECTION 750.147C OF THE MICHIGAN COMPILED LAWS, THE STUDENT IS  
19 INELIGIBLE FOR A LOAN UNDER THIS SECTION, AND THE STUDENT'S PAR-  
20 ENTS ARE INELIGIBLE FOR A LOAN UNDER THIS SECTION TO THE EXTENT  
21 THAT THE LOAN IS TO BE USED TO PAY FOR THE EDUCATIONAL EXPENSES  
22 OF THE CONVICTED STUDENT.

23 (5) IF A PARENT OF A STUDENT HAS BEEN CONVICTED OF HARASS-  
24 MENT OF MILITARY PERSONNEL IN VIOLATION OF SECTION 147C OF THE  
25 MICHIGAN PENAL CODE, ACT NO. 328 OF THE PUBLIC ACTS OF 1931,  
26 BEING SECTION 750.147C OF THE MICHIGAN COMPILED LAWS, THE PARENT

1 AND THE PARENT'S SPOUSE ARE INELIGIBLE FOR A LOAN UNDER THIS  
2 SECTION.

3       Section 2. This amendatory act shall not take effect unless  
4 Senate Bill No. \_\_\_\_\_ or House Bill No. 4294 (request  
5 no. 02319'91) of the 86th Legislature is enacted into law.