



HOUSE BILL No. 5121

September 21, 1995, Introduced by Reps. Gagliardi, Cherry, Baird, Porreca, Tesanovich, DeHart, Kelly, McBryde, Martinez, Willard, LaForge, Gire, Pitoniak, DeMars, Leland, Weeks, Prusi, Brater, Parks, Freeman, Scott, Schroer and Wallace and referred to the Committee on Judiciary and Civil Rights.

A bill to amend section 7 of Act No. 77 of the Public Acts of 1960, entitled as amended

"An act to create the Michigan higher education assistance authority and to prescribe its powers and duties; to authorize persons, corporations, and associations to make gifts to the authority; to prescribe the powers and duties of certain state officials; to authorize, ratify, and confirm certain guarantees of students' loans and authorize reguarantees; to authorize, ratify, and confirm certain guarantees of loans made to parents of students; to validate certain prior appropriations; and to authorize the transfer of certain appropriations to be transferred to and administered by the authority,"

as amended by Act No. 117 of the Public Acts of 1990, being section 390.957 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 7 of Act No. 77 of the Public Acts of
2 1960, as amended by Act No. 117 of the Public Acts of 1990, being
3 section 390.957 of the Michigan Compiled Laws, is amended to read
4 as follows:

1 Sec. 7. (1) The authority may:

2 (a) Guarantee 100% of the principal and interest of a loan
3 of money, upon the terms and conditions as it prescribes, to a
4 person attending or accepted to attend an eligible postsecondary
5 educational institution to assist the person in meeting his or
6 her expenses of postsecondary education incurred in any academic
7 year or to a parent of a person who meets the requirements for a
8 loan as determined by the authority.

9 (b) Take, hold, and administer real, personal, or mixed
10 property and money, or any interest in property or money, and the
11 income from the property, either absolutely or in trust, for a
12 purpose of this act. The authority may acquire property for this
13 purpose by purchase or lease and by the acceptance of gifts,
14 grants, bequests, devises, money, or loans. An obligation
15 incurred under this act shall not be a debt of the state.

16 (c) Enter into contracts with an eligible lender or with a
17 public or private postsecondary educational institution, upon the
18 terms as may be agreed upon between the authority and an institu-
19 tion, to provide for the administration by an institution of a
20 loan, or guarantee of a loan, made by the authority, including
21 applications for a loan and repayment of a loan.

22 (d) Competitively contract for services, including consult-
23 ing services as needed to carry out the purposes of this act.

24 (e) Enter into an agreement with a group life insurance car-
25 rier to insure each person receiving a guaranteed loan under the
26 program.

1 (f) Require a person receiving a guaranteed loan to remit a
2 fee, which may include the payment of a group life insurance
3 premium.

4 (g) Receive state appropriations for the guaranty fund of
5 the loan program to be used to match deposits and to accept con-
6 tributions received by the authority for this purpose.

7 (h) Administer a state scholarship program according to the
8 law and rules promulgated by the authority.

9 (i) Administer an undergraduate scholar awards program
10 according to the law and rules promulgated by the authority.

11 (j) Receive funds from the federal government to assist in
12 implementing federally supported programs administered under this
13 act.

14 (k) Administer an incentive awards program according to
15 rules promulgated by the authority.

16 (2) TO BE ELIGIBLE FOR SUBSECTION (1)(A) AND (C), A POSTSEC-
17 ONDARY EDUCATIONAL INSTITUTION SHALL BE IN COMPLIANCE WITH THE
18 MICHIGAN CAMPUS SEXUAL ASSAULT INFORMATION ACT.

19 Section 2. This amendatory act shall not take effect unless
20 Senate Bill No. _____ or House Bill No. 5119 (request
21 no. 00189'95) of the 88th Legislature is enacted into law.