

SENATE BILL NO. 1074

April 23, 1998, Introduced by Senators JAYE, DUNASKISS, NORTH and SHUGARS and referred to the Committee on Families, Mental Health and Human Services.

A bill to amend 1975 PA 222, entitled "Higher education loan authority act," by amending sections 2 and 4a (MCL 390.1152 and 390.1154a), section 2 as amended by 1987 PA 206 and section 4a as added by 1989 PA 96.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Authority" means the Michigan higher education student
3 loan authority created by section 3.

4 (b) "Bonds" means the bonds authorized to be issued by the
5 authority under this act, which may consist of bonds, notes, term
6 loans, commercial paper, or other debt obligations evidencing an
7 obligation to repay borrowed money and payable solely from
8 revenues and other money pledged by the authority.

1 (c) "Bond resolution" or "resolution", when used in relation
2 to the issuance of bonds, means either the resolution or trust
3 agreement securing the bonds.

4 (d) "Eligible institution" means ANY OF THE FOLLOWING: ~~an~~

5 (i) AN institution of higher education ~~that~~ THAT IS IN COM-
6 PLIANCE WITH THE TAXPAYER-FUNDED ABORTION PROHIBITION ACT.

7 (ii) A vocational school. ~~or, with~~

8 (iii) WITH respect to students or their parents who are cit-
9 izens or nationals of the United States, an institution outside
10 the United States comparable to an institution of higher educa-
11 tion or to a vocational school ~~which~~ THAT is approved by the
12 state board of education and by the United States secretary of
13 education for purposes of the guaranteed loan program.

14 (e) "National of the United States" means a person who,
15 though not a citizen of the United States, owes permanent alle-
16 giance to the United States, as defined in section ~~101(a)(22)~~
17 101 of TITLE I OF the immigration and nationality act, CHAPTER
18 477, 66 STAT. 166, 8 U.S.C. 1101.

19 (f) "Obligations" or "borrower obligations" means loan notes
20 and other debt obligations evidencing loans to students or par-
21 ents of students ~~which~~ THAT the authority may take, acquire,
22 buy, sell, or indorse under this act and may include a direct or
23 indirect interest in whole or part of the notes or obligations.

24 (g) "Parent" means a biological or adoptive parent or legal
25 guardian.

1 (h) "Standard rating service" means a service recognized in
2 the investment profession ~~which~~ THAT evaluates and measures
3 securities investment and credit risk.

4 (i) "Student" means a person who is enrolled or accepted for
5 enrollment at an eligible institution and who is making suitable
6 progress in his or her education toward obtaining a degree or
7 other appropriate certification in accordance with standards
8 acceptable to the authority.

9 Sec. 4a. In addition to the powers enumerated in section 4,
10 the authority may loan money to students or parents of students
11 who are residents of this state to assist them to pay for the
12 cost of the student's attendance at AN ELIGIBLE INSTITUTION THAT
13 IS a degree-granting college or university located in this
14 state. The authority shall promulgate rules under the adminis-
15 trative procedures act of 1969, ~~Act No. 306 of the Public Acts~~
16 ~~of 1969, being sections 24.201 to 24.328 of the Michigan Compiled~~
17 ~~Laws~~ 1969 PA 306, MCL 24.201 TO 24.328, to establish payment and
18 repayment terms for the loans authorized under this section.

19 Enacting section 1. This amendatory act does not take
20 effect unless Senate Bill No. 1060

21 of the 89th Legislature is enacted into
22 law.