

**SENATE BILL NO. 1076**

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

A bill to amend 1960 PA 77, entitled

"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,"

by amending section 7 (MCL 390.957), as amended by 1990 PA 117.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7. (1) The authority may DO ALL OF THE FOLLOWING:

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

1 year or to a parent of a person who meets the requirements for a  
2 loan as determined by the authority.

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

10 (c) Enter into contracts with an eligible lender or with ~~a~~  
11 AN ELIGIBLE public or private postsecondary educational institu-  
12 tion, upon the terms as may be agreed upon between the authority  
13 and an institution, to provide for the administration by an  
14 institution of a loan, or guarantee of a loan, made by the  
15 authority, including applications for a loan and repayment of a  
16 loan.

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

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

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

25 (g) Receive state appropriations for the guaranty fund of  
26 the loan program to be used to match deposits and to accept  
27 contributions received by the authority for this purpose.

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

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

5 (j) Receive funds from the federal government to assist in  
6 implementing federally supported programs administered under this  
7 act.

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

10 (2) TO BE ELIGIBLE FOR SUBSECTION (1)(A) AND (C), A POSTSEC-  
11 ONDARY EDUCATIONAL INSTITUTION SHALL BE IN COMPLIANCE WITH THE  
12 TAXPAYER-FUNDED ABORTION PROHIBITION ACT.

13 Enacting section 1. This amendatory act does not take  
14 effect unless Senate Bill No. 1060  
15 of the 89th Legislature is enacted into  
16 law.