

HOUSE BILL No. 5584

April 20, 2016, Introduced by Reps. Brunner, Wittenberg, Hoadley, Yanez, Plawecki, Smiley, Cochran, Liberati, Faris, Love, Guerra, Chang, Pagan, Schor and Brinks and referred to the Committee on Financial Liability Reform.

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 sections 2, 3, 4, and 10 (MCL 390.952, 390.953, 390.954, and 390.960), section 10 as amended by 1989 PA 128, and by adding section 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. The authority shall consist of the ~~superintendent of~~
2 ~~public instruction,~~ **STUDENT LOAN OMBUDSMAN**, ex officio, who shall
3 be ~~chairman, 2 representatives from private colleges located within~~
4 ~~this state, 2 representatives from community colleges located~~

~~within this state, 1 representative each from the university of Michigan, Michigan state university, and Wayne state university, 2 representatives from all other state supported 4 year colleges and universities within the state, 1 representative from the secondary schools of the state, 1 representative from an eligible lending institution of the state, 1 representative from the private occupational schools within the state, and 3 representatives from the citizens of the state chosen for their interest in higher education but not employed by, professionally affiliated with, or on the governing body of a college, university, or public high school of this state, to be appointed by the governor with the advice and consent of the senate.~~**CHAIRPERSON, AND 3 MEMBERS APPOINTED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. AS USED IN THIS SECTION, "STUDENT LOAN OMBUDSMAN" MEANS THAT TERM AS DEFINED IN SECTION 3 OF THE STUDENT LOAN OMBUDSMAN ACT.**

Sec. 3. The terms of office of the members of the authority shall be 4 years, and they shall hold office until the appointment and qualification of their successors, except that the ~~original~~ members **FIRST APPOINTED AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT AMENDED THIS SECTION** shall be appointed in such manner as to provide for the expiration each year of the ~~terms of one fourth of the members.~~**TERM OF NOT MORE THAN 1 MEMBER.** The ~~governor~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** may remove any member for misfeasance, malfeasance, or nonfeasance in office, after hearing.

Sec. 4. The ~~governor~~**SUPERINTENDENT OF PUBLIC INSTRUCTION** shall fill any vacancy for the balance of the unexpired term by the appointment of a ~~person~~**AN INDIVIDUAL** with the same status as the

predecessor of the appointee. The ~~governor~~**SUPERINTENDENT OF PUBLIC INSTRUCTION** may remove any appointee for misfeasance, malfeasance, or nonfeasance in office, after hearing.

SEC. 7C. MEMBERS OF THE AUTHORITY SHALL ALSO SERVE AS MEMBERS OF THE MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY, AS PROVIDED BY SECTION 3 OF THE HIGHER EDUCATION LOAN AUTHORITY ACT, 1975 PA 222, MCL 390.1153.

Sec. 10. The authority is subject to the supervision and examination of the ~~commissioner of the financial institutions bureau of the department of commerce~~**DIRECTOR OF INSURANCE AND FINANCIAL SERVICES**. However, the authority is not considered to be a banking organization and is not required to pay a fee for the supervision or examination. The authority shall make an annual report of its condition to the ~~governor~~**SUPERINTENDENT OF PUBLIC INSTRUCTION** and the legislature within 60 days after the legislature convenes.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No.____ or House Bill No. 5583 (request no. 04641'15) of the 98th Legislature is enacted into law.