



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1430

Introduced 1/28/2025, by Rep. Eva-Dina Delgado

SYNOPSIS AS INTRODUCED:

See Index

Amends the Student Investment Account Act. Allows the State Treasurer to originate, guarantee, acquire, and service refinance loans; invest in, and enter into contracts with, institutions that provide refinance loans; deposit funds with financial institutions that provide refinance loans; establish specific criteria governing the eligibility of entities to participate in the making of refinance loans; charge and collect premiums for insurance on refinance loans; and deduct from a State employee's salary, wages, commissions, and bonuses the recovery of a refinance loan debt. Removes language allowing the State Treasurer to: enter into income share agreements with participants, facilitate income share agreements between participants and eligible income share agreement providers, and perform other acts as may be necessary or desirable in connection with income share agreements; enter into contracts and guarantee agreements as necessary to operate the Student Investment Account with income share agreement providers or qualified income share agreement organizations; establish specific criteria governing the eligibility of entities to participate in the making of income share agreements; pay income share agreement providers or qualified income share agreement organizations an administrative fee in connection with services provided pursuant to the Student Investment Account; charge and collect premiums for insurance on income share agreements; and deduct from a State employee's salary, wages, commissions, and bonuses the recovery of an income share agreement. Allows (rather than requires) the State Treasurer to establish fees to cover the costs of administration, recordkeeping, marketing, and investment management related to the Student Investment Account. Removes language allowing moneys in the Student Investment Account Assistance Fund to be used to provide assistance to income share agreement participants. Makes conforming changes.

LRB104 07538 LNS 17582 b

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Student Investment Account Act is amended
5 by changing Sections 5, 10, 25, 30, 35, 40, 45, and 65 as
6 follows:

7 (110 ILCS 991/5)

8 Sec. 5. Findings and purpose. The General Assembly finds
9 that it is vital for the State to combat the college-debt
10 crisis and increase access to post-secondary education for all
11 residents of this State. The purpose of this Act is to assist
12 qualified residents to attend and pay for post-secondary
13 education through a system of investment programs, which may
14 include ~~income sharing agreements,~~ linked deposits, ~~and~~
15 student loans, and refinance loans.

16 (Source: P.A. 101-586, eff. 8-26-19.)

17 (110 ILCS 991/10)

18 Sec. 10. Definitions. As used in this Act:

19 "Borrower" means an Illinois resident ~~student~~ who has
20 received an education loan or an Illinois resident parent who
21 has received or agreed to pay an education loan, subject to
22 approval by the State Treasurer.

1 "Education loan" means a loan made to a borrower in
2 accordance with this Act to finance an Illinois resident
3 student's attendance at an institution of higher education.

4 ~~"Income share agreement" means an agreement between a
5 participant and an eligible institution of higher education or
6 an income share agreement provider approved by the State
7 Treasurer in which the participant agrees to pay a percentage
8 of the participant's future earnings for a fixed period in
9 exchange for funds to pay for their post secondary education.~~

10 ~~"Income share agreement provider" means an organization
11 that allows income share agreement participants to fund their
12 education by means of an income share agreement.~~

13 "Institution of higher education" means a post-secondary
14 educational institution located in Illinois and approved by
15 the State Treasurer.

16 ~~"Participant" means a resident student who enters into an
17 income share agreement for the purpose of funding the
18 participant's attendance at an institution of higher
19 education.~~

20 "Refinance loan" means a loan made to an Illinois resident
21 in accordance with this Act to refinance an existing loan used
22 to finance post-secondary education.

23 "Student Investment Account" means that portion of the
24 Treasurer's State Investment Portfolio described in Section
25 15.

26 (Source: P.A. 101-586, eff. 8-26-19.)

1 (110 ILCS 991/25)

2 Sec. 25. Operation of the Student Investment Account. The
3 State Treasurer may: originate, guarantee, acquire, and
4 service education loans or refinance loans; facilitate such
5 arrangements between borrowers and eligible lenders; and
6 perform such other acts as may be necessary or desirable in
7 connection with the education loans or refinance loans. The
8 State Treasurer may receive, hold, and invest moneys paid into
9 the Student Investment Account and take such other actions as
10 are necessary to operate the Student Investment Account. The
11 State Treasurer may invest in, and enter into contracts with,
12 institutions that provide education loans or refinance loans.
13 ~~The State Treasurer may also: enter into income share~~
14 ~~agreements with participants; facilitate such arrangements~~
15 ~~between participants and eligible income share agreement~~
16 ~~providers; and perform such other acts as may be necessary or~~
17 ~~desirable in connection with such income share agreements.~~ The
18 State Treasurer may also deposit funds with financial
19 institutions that provide education loans or refinance loans.
20 (Source: P.A. 101-586, eff. 8-26-19.)

21 (110 ILCS 991/30)

22 Sec. 30. Administration of the Student Investment Account.
23 The State Treasurer may enter into such contracts and
24 guarantee agreements as are necessary to operate the Student

1 Investment Account with eligible lenders, financial
2 institutions, institutions of higher education, ~~income share~~
3 ~~agreement providers~~, individuals, corporations, and ~~qualified~~
4 ~~income share agreement~~ or loan origination and servicing
5 organizations and with any governmental entity, including the
6 Illinois Student Assistance Commission, and with any agency or
7 instrumentality of the United States. The State Treasurer is
8 authorized to establish specific criteria governing the
9 eligibility of entities to participate in its programs, the
10 making of ~~income share agreements~~ or education loans or
11 refinance loans, provisions for default, the establishment of
12 default reserve funds, the purchase of default insurance, the
13 provision of prudent debt service reserves, and the furnishing
14 by participating entities of such additional guarantees of the
15 ~~income share agreements~~ or education loans or refinance loans
16 as the State Treasurer shall determine.

17 (Source: P.A. 101-586, eff. 8-26-19.)

18 (110 ILCS 991/35)

19 Sec. 35. Fees. The State Treasurer may ~~shall~~ establish
20 fees to cover the costs of administration, recordkeeping,
21 marketing, and investment management related to the Student
22 Investment Account. The State Treasurer may pay eligible
23 lenders, ~~income share agreement providers~~, financial
24 institutions, institutions of higher education, individuals,
25 corporations, ~~qualified income share agreement~~ or loan

1 origination and servicing organizations, governmental
2 entities, and any agencies or instrumentalities of the United
3 States an administrative fee in connection with services
4 provided pursuant to the Student Investment Account in such
5 amounts, at such times, and in such manner as may be prescribed
6 by the State Treasurer.

7 (Source: P.A. 101-586, eff. 8-26-19.)

8 (110 ILCS 991/40)

9 Sec. 40. Insurance. The State Treasurer or his or her
10 designee may charge and collect premiums for insurance on
11 ~~income share agreements or~~ education loans or refinance loans
12 and other related charges and pay such insurance premiums or a
13 portion thereof and other charges as are prudent.

14 (Source: P.A. 101-586, eff. 8-26-19.)

15 (110 ILCS 991/45)

16 Sec. 45. Wage deductions. The State Treasurer may deduct
17 from the salary, wages, commissions, and bonuses of any
18 employee in this State and, to the extent permitted by the laws
19 of the United States and individual states in which an
20 employee might reside, any employee outside the State of
21 Illinois by serving a notice of administrative wage
22 garnishment on an employer, in accordance with rules adopted
23 by the State Treasurer, for the recovery of an education loan
24 or refinance loan debt ~~or income share agreement~~ owned or

1 serviced by the State Treasurer. Levy must not be made until
2 the State Treasurer has caused a demand to be made on the
3 employee, in a manner consistent with rules adopted by the
4 State Treasurer, such that the employee is provided an
5 opportunity to contest the existence or amount of the ~~income~~
6 ~~share agreement~~ or education loan or refinance loan
7 obligation.

8 (Source: P.A. 101-586, eff. 8-26-19.)

9 (110 ILCS 991/65)

10 Sec. 65. Student Investment Account Assistance Fund. The
11 Student Investment Account Assistance Fund may be created as a
12 non-appropriated separate and apart trust fund in the State
13 Treasury. Moneys in the Student Investment Account Assistance
14 Fund may be used by the State Treasurer to provide assistance
15 to qualifying borrowers ~~or income share agreement~~
16 ~~participants~~. The State Treasurer may deposit a portion of the
17 earnings of the investments in the Student Investment Account
18 and a portion of any administrative fees, and the proceeds
19 thereof, collected pursuant to Section 35 into the Student
20 Investment Account Assistance Fund.

21 (Source: P.A. 101-586, eff. 8-26-19.)

1 INDEX

2 Statutes amended in order of appearance

3 110 ILCS 991/5

4 110 ILCS 991/10

5 110 ILCS 991/25

6 110 ILCS 991/30

7 110 ILCS 991/35

8 110 ILCS 991/40

9 110 ILCS 991/45

10 110 ILCS 991/65