



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2183

Introduced 1/11/2006, by Sen. Martin A. Sandoval

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.663 new  
110 ILCS 947/65.75 new

Amends the Higher Education Student Assistance Act and the State Finance Act. Requires the Illinois Student Assistance Commission to implement and administer a higher education revolving loan program to provide nominal interest loans for the costs of attending a public or private institution of higher education in this State. Provides that the loans must be made to high performance students and may not exceed \$10,000 per person per academic year. Contains provisions concerning repayment. Creates the Higher Education Revolving Loan Fund as a special fund in the State treasury. Effective July 1, 2006.

LRB094 16178 NHT 51421 b

FISCAL NOTE ACT  
MAY APPLY

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 State Finance Act is amended by adding  
5 Section 5.663 as follows:

6 (30 ILCS 105/5.663 new)

7 Sec. 5.663. The Higher Education Revolving Loan Fund.

8 Section 10. The Higher Education Student Assistance Act is  
9 amended by adding Section 65.75 as follows:

10 (110 ILCS 947/65.75 new)

11 Sec. 65.75. Higher education revolving loan program.

12 (a) In this Section:

13 "High performance student" means a student enrolled at an  
14 institution of higher education who (i) if the student has not  
15 yet completed one term at an institution of higher education,  
16 had an A- grade point average or its equivalent after  
17 graduating from high school or (ii) if the student has  
18 completed at least one term at an institution of higher  
19 education, has an A- grade point average or its equivalent.

20 "Nominal interest" means a rate of interest that is equal  
21 to the percentage increase if any in the Consumer Price Index  
22 for All Urban Consumers for all items published by the United  
23 State Department of Labor for the 12 months ending on the  
24 previous December 31. If the rate does not increase for this  
25 time period, the nominal interest rate shall be 0%.

26 (b) The Commission shall implement and administer a higher  
27 education revolving loan program. The program shall provide  
28 nominal interest loans for the costs of attending a public or  
29 private institution of higher education in this State. The  
30 Commission shall make loans to high performance students, as

1 defined in this Section and as determined by the Commission.  
2 The student must be an Illinois resident, but need not be a  
3 U.S. citizen. The loan amount may not exceed \$10,000 per person  
4 per academic year.

5 (c) The repayment period for a loan made under this Section  
6 may not exceed 10 years. A person who receives a loan under  
7 this Section shall begin repaying the loan beginning one year  
8 after the person no longer attends an institution of higher  
9 education. The person shall repay each year at least 5% of the  
10 principal amount borrowed or the remaining balance of the loan,  
11 whichever is less. All repayments of loans shall be deposited  
12 into the Higher Education Revolving Loan Fund.

13 (d) The Higher Education Revolving Loan Fund is created as  
14 a special fund in the State treasury. All money in the Fund  
15 shall be used, subject to appropriation, by the Commission for  
16 making loans under this Section. The Fund shall consist of any  
17 moneys transferred or appropriated into the Fund, as well as  
18 all repayments of loans made under the higher education  
19 revolving loan program. The Fund shall be used for the purposes  
20 of this Section and for no other purpose. All interest earned  
21 on moneys in the Fund shall be deposited into the Fund.

22 (e) The Commission shall adopt any rules necessary to  
23 implement and administer this Section.

24 Section 99. Effective date. This Act takes effect July 1,  
25 2006.