

# HB6189



## 96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB6189

Introduced 2/11/2010, by Rep. Richard P. Myers - Chapin Rose

### SYNOPSIS AS INTRODUCED:

110 ILCS 947/80

Amends the Higher Education Student Assistance Act. Provides that the Illinois Student Assistance Commission shall have the power to allow for direct lending by institutions of higher learning. Effective immediately.

LRB096 20674 AMC 36393 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Higher Education Student Assistance Act is  
5 amended by changing Section 80 as follows:

6 (110 ILCS 947/80)

7 Sec. 80. Additional assistance; Loans; Powers and Duties.

8 The Commission shall have the following powers in furtherance  
9 of its programs:

10 (a) To guarantee the loan of money in amounts not to exceed  
11 the yearly or aggregate totals authorized by the Federal Higher  
12 Education Act of 1965. The Commission may guarantee loans for  
13 qualified borrowers for use at any approved institution of  
14 higher learning provided the borrower and institution are  
15 eligible for the loan under the Higher Education Act of 1965.  
16 All loans shall be guaranteed and bear interest as prescribed  
17 by the Higher Education Act of 1965, or by any other Federal  
18 statute hereafter enacted providing for Federal payment of  
19 interest or other subsidy on behalf of borrowers. Loans made by  
20 eligible lenders in accordance with this Act shall be  
21 guaranteed whether made from funds fully owned by the lender or  
22 from funds held by the lender in a trust or similar capacity  
23 and available for such loans.

1 (b) To sue and be sued in the name of the Commission.

2 (c) To adopt rules and regulations governing the guarantee,  
3 origination, or servicing of loans and any other matters  
4 relating to the activities of the Commission.

5 (d) To originate, guarantee, acquire, and service loans and  
6 to perform such other acts as may be necessary or appropriate  
7 in connection with the loans.

8 (e) To require that any educational loan made under this  
9 Act shall be repaid and be secured in such manner and at such  
10 time as the Commission prescribes, including perfecting a  
11 security interest therein in such manner as the Commission  
12 shall determine.

13 (f) To enter into such contracts and guarantee agreements  
14 with eligible lenders, eligible education institutions,  
15 individuals, corporations, and loan servicing organizations  
16 and with any other governmental agency and with any agency of  
17 the United States, including agreements for Federal  
18 reinsurance of losses resulting from the death, default, or  
19 total and permanent disability of borrowers, as are necessary  
20 or incidental to the performance of its duties and to carry out  
21 its functions under this Act, and to make such payments as may  
22 be specified in such contracts and agreements from such sources  
23 as set forth therein, all notwithstanding any other provisions  
24 of this Act or any other law.

25 (g) To receive and accept from any agency of the United  
26 States or any agency of the State of Illinois or any

1 municipality, county, or other political subdivision thereof  
2 or from any individual, association, or corporation gifts,  
3 grants, or donations of money.

4 (h) To participate in any Federal government program for  
5 guaranteed loans or subsidies to borrowers and to receive,  
6 hold, and disburse funds made available for the purpose or  
7 purposes for which they are made available.

8 (i) To pay to eligible lenders an administrative cost  
9 allowance in such amount, at such times, and in such manner as  
10 may be prescribed by the Commission.

11 (j) To pay the Federal government a portion of those funds  
12 obtained by the Commission from collection and recoupment of  
13 losses on defaulted loans in such amounts and in such manner as  
14 provided by any Federal reinsurance agreement.

15 (k) To charge and collect premiums for insurance on loans  
16 and other appropriate charges and pay such insurance premiums  
17 or a portion thereof and other charges as are appropriate.

18 (l) To create such entities and organizations and programs  
19 as the Commission determines are necessary or incidental to the  
20 performance of its duties and to carry out any function under  
21 this Act.

22 (m) Except with respect to obligations issued prior to July  
23 14, 1994, to exercise all functions, rights, powers, duties,  
24 and responsibilities now or hereafter authorized to be  
25 exercised by any other State agency pursuant to the Higher  
26 Education Loan Act of this State. The authorization to any

1 other State agency to exercise those functions, rights, powers,  
2 duties, and responsibilities is not affected by this  
3 authorization to the Commission.

4 (n) To allow for direct lending by institutions of higher  
5 learning.

6 (Source: P.A. 88-553; 89-442, eff. 12-21-95.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.