

HOUSE BILL No. 6134

May 21, 2008, Introduced by Reps. Meltzer, Agema, Moss, Hune, Rick Jones, Steil, Stahl, Stakoe, Calley, LaJoy, Meekhof, Opsommer, David Law, Nitz, Caul and Marleau and referred to the Committee on Oversight and Investigations.

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~~**SUBJECT TO SUBSECTION (2), THE** authority may
2 **DO 1 OR MORE OF THE FOLLOWING:**

3 (a) Guarantee 100% of the principal and interest of a loan of
4 money, upon the terms and conditions as it prescribes, to a person
5 attending or accepted to attend an eligible postsecondary

1 educational institution to assist the person in meeting his or her
2 expenses of postsecondary education incurred in any academic year
3 or to a parent of a person who meets the requirements for a loan as
4 determined by the authority.

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

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

18 (d) Competitively contract for services, including consulting
19 services as needed to carry out the purposes of this act.

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

23 (f) Require a person receiving a guaranteed loan to remit a
24 fee. ~~which~~ **THE FEE** may include the payment of a group life
25 insurance premium.

26 (g) Receive state appropriations for the guaranty fund of the
27 loan program to be used to match deposits and to accept

1 contributions received by the authority for this purpose.

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

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

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

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

11 (2) THE AUTHORITY SHALL NOT PROVIDE A LOAN, LOAN GUARANTEE,
12 GRANT, SCHOLARSHIP, OR OTHER FINANCIAL ASSISTANCE UNDER THIS ACT TO
13 ANY INDIVIDUAL WHO IS NOT A UNITED STATES CITIZEN OR ANY OTHER
14 STUDENT DESCRIBED AS ELIGIBLE TO RECEIVE TITLE IV, HEA PROGRAM
15 ASSISTANCE UNDER 34 CFR 668.33. THE AUTHORITY BY RULE SHALL
16 ESTABLISH PROCEDURES FOR VERIFYING THE IDENTITY OF EACH APPLICANT
17 FOR FINANCIAL ASSISTANCE AND THE CITIZENSHIP OR HEA PROGRAM
18 ASSISTANCE ELIGIBILITY STATUS OF EACH LOAN APPLICANT.