1 AN ACT concerning finance.

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

Section 1. Short title. This Act may be cited as the
Student Investment Account Act.

6 Section 5. Findings and purpose. The General Assembly finds 7 that it is vital for the State to combat the college-debt 8 crisis and increase access to post-secondary education for all 9 residents of this State. The purpose of this Act is to assist qualified residents to attend and pay for post-secondary 10 education through a system of investment programs, which may 11 12 include income-sharing agreements, linked deposits, and 13 student loans.

14 Section 10. Definitions. As used in this Act:

15 "Borrower" means an Illinois resident student who has 16 received an education loan or an Illinois resident parent who 17 has received or agreed to pay an education loan, subject to 18 approval by the State Treasurer.

19 "Education loan" means a loan made to a borrower in 20 accordance with this Act to finance an Illinois resident 21 student's attendance at an institution of higher education.

22 "Income share agreement" means an agreement between a

SB1524 Enrolled - 2 - LRB101 09686 RJF 54785 b

participant and an eligible institution of higher education or an income share agreement provider approved by the State Treasurer in which the participant agrees to pay a percentage of the participant's future earnings for a fixed period in exchange for funds to pay for their post-secondary education.

6 "Income share agreement provider" means an organization 7 that allows income share agreement participants to fund their 8 education by means of an income share agreement.

9 "Institution of higher education" means a post-secondary 10 educational institution located in Illinois and approved by the 11 State Treasurer.

12 "Participant" means a resident student who enters into an 13 income share agreement for the purpose of funding the 14 participant's attendance at an institution of higher 15 education.

16 "Student Investment Account" means that portion of the 17 Treasurer's State Investment Portfolio described in Section 18 15.

19 Section 15. Establishment of Student Investment Account. 20 The State Treasurer may allocate up to 5% of the Treasurer's 21 State Investment Portfolio to the Student Investment Account. 22 The 5% cap shall be calculated based on: (1) the balance of the 23 Treasurer's State Investment Portfolio at the inception of the 24 State's fiscal year; or (2) the average balance of the 25 Treasurer's State Investment Portfolio in the immediately SB1524 Enrolled - 3 - LRB101 09686 RJF 54785 b preceding 5 fiscal years, whichever number is greater.

1

Section 20. Earnings from Student Investment Account. 2 3 Earnings on the investments in the Student Investment Account 4 may be reinvested into the Student Investment Account without 5 being counted against the 5% cap under Section 15. Net earnings 6 on investments under this Act that are not reinvested shall be 7 deposited in the same manner as interest is deposited under Section 4.1 of the State Finance Act. The General Assembly 8 9 shall prioritize any such funds deposited into the General 10 Revenue Fund towards appropriations to support higher 11 education in the State of Illinois.

12 Section 25. Operation of the Student Investment Account. 13 The State Treasurer may: originate, guarantee, acquire, and 14 service education loans; facilitate such arrangements between 15 borrowers and eligible lenders; and perform such other acts as may be necessary or desirable in connection with the education 16 17 loans. The State Treasurer may receive, hold, and invest moneys 18 paid into the Student Investment Account and take such other 19 actions as are necessary to operate the Student Investment 20 Account. The State Treasurer may invest in, and enter into 21 contracts with, institutions that provide education loans. The 22 State Treasurer may also: enter into income share agreements 23 participants; facilitate such arrangements with between 24 participants and eligible income share agreement providers;

SB1524 Enrolled - 4 - LRB101 09686 RJF 54785 b

and perform such other acts as may be necessary or desirable in
 connection with such income share agreements. The State
 Treasurer may also deposit funds with financial institutions
 that provide education loans.

5 Section 30. Administration of the Student Investment 6 Account. The State Treasurer may enter into such contracts and 7 quarantee agreements as are necessary to operate the Student Investment Account with eligible lenders, 8 financial 9 institutions, institutions of higher education, income share 10 agreement providers, individuals, corporations, and qualified 11 income share agreement or loan origination and servicing 12 organizations and with any governmental entity, including the 13 Illinois Student Assistance Commission, and with any agency or 14 instrumentality of the United States. The State Treasurer is 15 authorized to establish specific criteria governing the 16 eligibility of entities to participate in its programs, the making of income share agreements or 17 education loans, provisions for default, the establishment of default reserve 18 funds, the purchase of default insurance, the provision of 19 20 prudent debt service reserves, and the furnishing by 21 participating entities of such additional guarantees of the 22 income share agreements or education loans as the State Treasurer shall determine. 23

24

Section 35. Fees. The State Treasurer shall establish fees

SB1524 Enrolled - 5 - LRB101 09686 RJF 54785 b

1 of administration, recordkeeping, cover the costs to 2 marketing, and investment management related to the Student 3 Investment Account. The State Treasurer may pay eligible income share agreement providers, 4 lenders, financial 5 institutions, institutions of higher education, individuals, corporations, qualified income 6 share agreement or loan 7 origination and servicing organizations, governmental 8 entities, and any agencies or instrumentalities of the United 9 States an administrative fee in connection with services 10 provided pursuant to the Student Investment Account in such 11 amounts, at such times, and in such manner as may be prescribed 12 by the State Treasurer.

13 Section 40. Insurance. The State Treasurer or his or her 14 designee may charge and collect premiums for insurance on 15 income share agreements or education loans and other related 16 charges and pay such insurance premiums or a portion thereof 17 and other charges as are prudent.

18 Section 45. Wage deductions. The State Treasurer may deduct 19 from the salary, wages, commissions, and bonuses of any 20 employee in this State and, to the extent permitted by the laws 21 of the United States and individual states in which an employee 22 might reside, any employee outside the State of Illinois by 23 serving a notice of administrative wage garnishment on an 24 employer, in accordance with rules adopted by the State SB1524 Enrolled - 6 - LRB101 09686 RJF 54785 b

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

8 Section 50. Investment policy. The State Treasurer shall 9 develop, publish, and implement one or more investment policies 10 covering the investment of moneys in accordance with this Act.

11 Section 55. Student Investment Account Administrative 12 Fund. The Student Investment Account Administrative Fund is 13 created as a non-appropriated separate and apart trust fund in 14 the State Treasury. Moneys in the Student Investment Account 15 Administrative Fund may be used by the State Treasurer to pay expenses related to all aspects of operation and administration 16 17 of the Student Investment Account. The State Treasurer may 18 deposit a portion of the earnings of the investments in the 19 Student Investment Account and a portion of any administrative 20 fees, and the proceeds thereof, collected pursuant to Section 35 into the Student Investment Account Administrative Fund. 21

Section 60. Student Investment Account Loss Reserve Fund.
 The Student Investment Account Loss Reserve Fund may be created

SB1524 Enrolled - 7 - LRB101 09686 RJF 54785 b

as a non-appropriated separate and apart trust fund in the 1 State Treasury. Moneys in the Student Investment Account Loss 2 3 Reserve Fund may be used by the State Treasurer to establish loss reserve funds. The State Treasurer may deposit a portion 4 5 of the earnings of the investments in the Student Investment 6 Account and a portion of any administrative fees, and the proceeds thereof, collected pursuant to Section 35 into the 7 Student Investment Account Loss Reserve Fund. 8

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

20 Section 70. Rules. The State Treasurer may adopt rules he 21 or she deems necessary or desirable to implement and administer 22 this Act.

23

Section 900. The Deposit of State Moneys Act is amended by

SB1524 Enrolled - 8 - LRB101 09686 RJF 54785 b

1 changing Section 22.5 as follows:

2 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)
3 (For force and effect of certain provisions, see Section 90
4 of P.A. 94-79)

5 Sec. 22.5. Permitted investments. The State Treasurer may, 6 with the approval of the Governor, invest and reinvest any 7 State money in the treasury which is not needed for current 8 expenditures due or about to become due, in obligations of the 9 United States government or its agencies or of National 10 Mortgage Associations established by or under the National 11 Housing Act, 12 1201 U.S.C. 1701 et seq., or in mortgage 12 participation certificates representing undivided interests in first-lien conventional residential 13 specified, Tllinois mortgages that are underwritten, insured, guaranteed, or 14 15 purchased by the Federal Home Loan Mortgage Corporation or in 16 Affordable Housing Program Trust Fund Bonds or Notes as defined in and issued pursuant to the Illinois Housing Development Act. 17 All such obligations shall be considered as cash and may be 18 19 delivered over as cash by a State Treasurer to his successor.

The State Treasurer may, with the approval of the Governor, purchase any state bonds with any money in the State Treasury that has been set aside and held for the payment of the principal of and interest on the bonds. The bonds shall be considered as cash and may be delivered over as cash by the State Treasurer to his successor. SB1524 Enrolled - 9 - LRB101 09686 RJF 54785 b

The State Treasurer may, with the approval of the Governor, 1 2 invest or reinvest any State money in the treasury that is not 3 needed for current expenditure due or about to become due, or any money in the State Treasury that has been set aside and 4 held for the payment of the principal of and the interest on 5 any State bonds, in shares, withdrawable accounts, and 6 7 investment certificates of savings and building and loan 8 associations, incorporated under the laws of this State or any 9 other state or under the laws of the United States; provided, 10 however, that investments may be made only in those savings and 11 loan or building and loan associations the shares and 12 withdrawable accounts or other forms of investment securities are insured by the Federal Deposit Insurance 13 of which 14 Corporation.

15 The State Treasurer may not invest State money in any 16 savings and loan or building and loan association unless a 17 commitment by the savings and loan (or building and loan) 18 association, executed by the president or chief executive 19 officer of that association, is submitted in the following 20 form:

The Savings and Loan (or Building and Loan) Association pledges not to reject arbitrarily mortgage loans for residential properties within any specific part of the community served by the savings and loan (or building and loan) association because of the location of the property. The savings and loan (or building and loan) association also pledges to make loans available on low and moderate income residential property throughout the community within the limits of its legal restrictions and prudent financial practices.

5 The State Treasurer may, with the approval of the Governor, 6 invest or reinvest, at a price not to exceed par, any State the treasury that is not needed for current 7 money in 8 expenditures due or about to become due, or any money in the 9 State Treasury that has been set aside and held for the payment 10 of the principal of and interest on any State bonds, in bonds 11 issued by counties or municipal corporations of the State of 12 Illinois.

13 The State Treasurer may, with the approval of the Governor, 14 invest or reinvest any State money in the Treasury which is not 15 needed for current expenditure, due or about to become due, or 16 any money in the State Treasury which has been set aside and 17 held for the payment of the principal of and the interest on any State bonds, in participations in loans, the principal of 18 19 which participation is fully guaranteed by an agency or 20 instrumentality of the United States government; provided, however, that such loan participations are represented by 21 22 certificates issued only by banks which are incorporated under 23 the laws of this State or any other state or under the laws of 24 the United States, and such banks, but not the loan participation certificates, are insured by the Federal Deposit 25 26 Insurance Corporation.

SB1524 Enrolled - 11 - LRB101 09686 RJF 54785 b

Whenever the total amount of vouchers presented to the 1 2 Comptroller under Section 9 of the State Comptroller Act 3 exceeds the funds available in the General Revenue Fund by \$1,000,000,000 or more, then the State Treasurer may invest any 4 5 State money in the Treasury, other than money in the General 6 Revenue Fund, Health Insurance Reserve Fund, Attorney General 7 Court Ordered and Voluntary Compliance Payment Projects Fund, 8 Attorney General Whistleblower Reward and Protection Fund, and 9 Attorney General's State Projects and Court Ordered Fund, 10 Distribution which is not needed for current 11 expenditures, due or about to become due, or any money in the 12 State Treasury which has been set aside and held for the 13 payment of the principal of and the interest on any State bonds 14 with the Office of the Comptroller in order to enable the 15 Comptroller to pay outstanding vouchers. At any time, and from 16 time to time outstanding, such investment shall not be greater 17 than \$2,000,000,000. Such investment shall be deposited into the General Revenue Fund or Health Insurance Reserve Fund as 18 19 determined by the Comptroller. Such investment shall be repaid 20 by the Comptroller with an interest rate tied to the London Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an 21 22 equivalent market established variable rate, but in no case 23 shall such interest rate exceed the lesser of the penalty rate 24 established under the State Prompt Payment Act or the timely 25 pay interest rate under Section 368a of the Illinois Insurance 26 Code. The State Treasurer and the Comptroller shall enter into

an intergovernmental agreement to establish procedures for 1 2 such investments, which market established variable rate to 3 which the interest rate for the investments should be tied, and other terms which the State Treasurer and Comptroller 4 5 reasonably believe to be mutually beneficial concerning these 6 investments by the State Treasurer. The State Treasurer and 7 Comptroller shall also enter into a written agreement for each 8 such investment that specifies the period of the investment, 9 the payment interval, the interest rate to be paid, the funds 10 in the Treasury from which the Treasurer will draw the 11 investment, and other terms upon which the State Treasurer and 12 Comptroller mutually agree. Such investment agreements shall be public records and the State Treasurer shall post the terms 13 14 of all such investment agreements on the State Treasurer's 15 official website. In compliance with the intergovernmental 16 agreement, the Comptroller shall order and the State Treasurer 17 shall transfer amounts sufficient for the payment of principal and interest invested by the State Treasurer with the Office of 18 19 the Comptroller under this paragraph from the General Revenue Fund or the Health Insurance Reserve Fund to the respective 20 21 funds in the Treasury from which the State Treasurer drew the 22 investment. Public Act 100-1107 This amendatory Act of the 23 100th General Assembly shall constitute an irrevocable and 24 continuing authority for all amounts necessary for the payment 25 of principal and interest on the investments made with the 26 Office of the Comptroller by the State Treasurer under this

paragraph, and the irrevocable and continuing authority for and direction to the Comptroller and Treasurer to make the necessary transfers.

The State Treasurer may, with the approval of the Governor, invest or reinvest any State money in the Treasury that is not needed for current expenditure, due or about to become due, or any money in the State Treasury that has been set aside and held for the payment of the principal of and the interest on any State bonds, in any of the following:

10 (1) Bonds, notes, certificates of indebtedness,
11 Treasury bills, or other securities now or hereafter issued
12 that are guaranteed by the full faith and credit of the
13 United States of America as to principal and interest.

14 (2) Bonds, notes, debentures, or other similar
15 obligations of the United States of America, its agencies,
16 and instrumentalities.

17 (2.5) Bonds, notes, debentures, or other similar obligations of a foreign government, other than the 18 19 Republic of the Sudan, that are guaranteed by the full 20 faith and credit of that government as to principal and 21 interest, but only if the foreign government has not 22 defaulted and has met its payment obligations in a timely 23 manner on all similar obligations for a period of at least 24 25 years immediately before the time of acquiring those 25 obligations.

26 (3) Interest-bearing savings accounts,

SB1524 Enrolled - 14 - LRB101 09686 RJF 54785 b

interest-bearing certificates of deposit, interest-bearing
 time deposits, or any other investments constituting
 direct obligations of any bank as defined by the Illinois
 Banking Act.

5 (4) Interest-bearing accounts, certificates of 6 deposit, or any other investments constituting direct 7 of savings loan associations obligations any and 8 incorporated under the laws of this State or any other state or under the laws of the United States. 9

10 (5) Dividend-bearing share accounts, share certificate 11 accounts, or class of share accounts of a credit union 12 chartered under the laws of this State or the laws of the 13 United States; provided, however, the principal office of 14 the credit union must be located within the State of 15 Illinois.

16 (6) Bankers' acceptances of banks whose senior
17 obligations are rated in the top 2 rating categories by 2
18 national rating agencies and maintain that rating during
19 the term of the investment.

(7) Short-term obligations of either corporations or limited liability companies organized in the United States with assets exceeding \$500,000,000 if (i) the obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and mature not later than 270 days from the date of purchase, (ii) the purchases do not exceed 10% of the

liability 1 corporation's or the limited company's 2 outstanding obligations, (iii) no more than one-third of 3 the public agency's funds are invested in short-term obligations of either corporations or limited liability 4 5 companies, and (iv) the corporation or the limited 6 liability company has not been placed on the list of 7 restricted companies by the Illinois Investment Policy Board under Section 1-110.16 of the Illinois Pension Code. 8

9 (7.5) Obligations of either corporations or limited 10 liability companies organized in the United States, that 11 have a significant presence in this State, with assets 12 exceeding \$500,000,000 if: (i) the obligations are rated at 13 the time of purchase at one of the 3 highest 14 classifications established by at least 2 standard rating 15 services and mature more than 270 days, but less than 5 16 years, from the date of purchase; (ii) the purchases do not 17 exceed 10% of the corporation's or the limited liability company's outstanding obligations; (iii) no more than 5% of 18 19 the public agency's funds are invested in such obligations 20 of corporations or limited liability companies; and (iv) 21 the corporation or the limited liability company has not 22 been placed on the list of restricted companies by the 23 Illinois Investment Policy Board under Section 1-110.16 of Illinois Pension Code. The authorization of the 24 the 25 Treasurer to invest in new obligations under this paragraph 26 shall expire on June 30, 2019.

1 (8) Money market mutual funds registered under the 2 Investment Company Act of 1940, provided that the portfolio 3 of the money market mutual fund is limited to obligations 4 described in this Section and to agreements to repurchase 5 such obligations.

6 (9) The Public Treasurers' Investment Pool created 7 under Section 17 of the State Treasurer Act or in a fund 8 managed, operated, and administered by a bank.

9 (10) Repurchase agreements of government securities 10 having the meaning set out in the Government Securities Act 11 of 1986, as now or hereafter amended or succeeded, subject 12 to the provisions of that Act and the regulations issued 13 thereunder.

14 (11) Investments made in accordance with the15 Technology Development Act.

16 (12) Investments made in accordance with the Student
 17 Investment Account Act.

18 For purposes of this Section, "agencies" of the United 19 States Government includes:

(i) the federal land banks, federal intermediate
credit banks, banks for cooperatives, federal farm credit
banks, or any other entity authorized to issue debt
obligations under the Farm Credit Act of 1971 (12 U.S.C.
2001 et seq.) and Acts amendatory thereto;

(ii) the federal home loan banks and the federal homeloan mortgage corporation;

SB1524 Enrolled - 17 - LRB101 09686 RJF 54785 b

1

(iii) the Commodity Credit Corporation; and

2

(iv) any other agency created by Act of Congress.

3 The Treasurer may, with the approval of the Governor, lend any securities acquired under this Act. However, securities may 4 5 be lent under this Section only in accordance with Federal Financial Institution Examination Council guidelines and only 6 7 if the securities are collateralized at a level sufficient to 8 assure the safety of the securities, taking into account market 9 value fluctuation. The securities may be collateralized by cash 10 or collateral acceptable under Sections 11 and 11.1.

11 (Source: P.A. 99-856, eff. 8-19-16; 100-1107, eff. 8-27-18; 12 revised 9-27-18.)

Section 905. The Student Loan Servicing Rights Act is amended by changing Section 1-5 as follows:

15 (110 ILCS 992/1-5)

16 Sec. 1-5. Definitions. As used in this Act:

17 "Applicant" means a person applying for a license pursuant18 to this Act.

19 "Borrower" or "student loan borrower" means a person who 20 has received or agreed to pay a student loan for his or her own 21 educational expenses.

22 "Cosigner" means a person who has agreed to share23 responsibility for repaying a student loan with a borrower.

24 "Department" means the Department of Financial and

SB1524 Enrolled - 18 - LRB101 09686 RJF 54785 b

1 Professional Regulation.

2 "Division of Banking" means the Division of Banking of the
3 Department of Financial and Professional Regulation.

4 "Federal loan borrower eligible for referral to a repayment
5 specialist" means a borrower who possesses any of the following
6 characteristics:

7 (1) requests information related to options to reduce
8 or suspend his or her monthly payment;

9 (2) indicates that he or she is experiencing or 10 anticipates experiencing financial hardship, distress, or 11 difficulty making his or her payments;

12

(3) has missed 2 consecutive monthly payments;

13

(4) is at least 75 days delinquent;

14 (5) is enrolled in a discretionary forbearance for more15 than 9 of the previous 12 months;

16 (6) has rehabilitated or consolidated one or more loans
17 out of default within the past 12 months; or

18 (7) has not completed a course of study, as reflected 19 in the servicer's records, or the borrower identifies 20 himself or herself as not having completed a program of 21 study.

22 "Federal education loan" means any loan made, guaranteed, 23 or insured under Title IV of the federal Higher Education Act 24 of 1965.

25 "Income-driven payment plan certification" means the 26 documentation related to a federal student loan borrower's SB1524 Enrolled - 19 - LRB101 09686 RJF 54785 b

income or financial status the borrower must submit to renew an
 income-driven repayment plan.

3 "Income-driven repayment options" includes the Income-Contingent Repayment Plan, the Income-Based Repayment 4 5 Plan, the Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You Earn Plan, and any other federal 6 7 student loan repayment plan that is calculated based on a 8 borrower's income.

9

"Licensee" means a person licensed pursuant to this Act.

10 "Other repayment plans" means the Standard Repayment Plan, 11 the Graduated Repayment Plan, the Extended Repayment Plan, or 12 any other federal student loan repayment plan not based on a 13 borrower's income.

14 "Private loan borrower eligible for referral to a repayment 15 specialist" means a borrower who possesses any of the following 16 characteristics:

17 (1) requests information related to options to reduce18 or suspend his or her monthly payments; or

19 (2) indicates that he or she is experiencing or
 20 anticipates experiencing financial hardship, distress, or
 21 difficulty making his or her payments.

22 "Requester" means any borrower or cosigner that submits a 23 request for assistance.

24 "Request for assistance" means all inquiries, complaints, 25 account disputes, and requests for documentation a servicer 26 receives from borrowers or cosigners. SB1524 Enrolled - 20 - LRB101 09686 RJF 54785 b

"Secretary" means the Secretary of Financial and
 Professional Regulation, or his or her designee, including the
 Director of the Division of Banking of the Department of
 Financial and Professional Regulation.

"Servicing" means: (1) receiving any scheduled periodic 5 6 payments from a student loan borrower or cosigner pursuant to 7 the terms of a student loan; (2) applying the payments of 8 principal and interest and such other payments with respect to 9 the amounts received from a student loan borrower or cosigner, 10 as may be required pursuant to the terms of a student loan; and 11 (3) performing other administrative services with respect to a 12 student loan.

13 "Student loan" or "loan" means any federal education loan 14 or other loan primarily for use to finance a postsecondary 15 education and costs of attendance at a postsecondary 16 institution, including, but not limited to, tuition, fees, 17 books and supplies, room and board, transportation, and 18 miscellaneous personal expenses. "Student loan" includes a 19 loan made to refinance a student loan.

20 "Student loan" shall not include an extension of credit 21 under an open-end consumer credit plan, a reverse mortgage 22 transaction, a residential mortgage transaction, or any other 23 loan that is secured by real property or a dwelling.

24 "Student loan" shall not include an extension of credit 25 made by a postsecondary educational institution to a borrower 26 if one of the following apply: SB1524 Enrolled

14

- 21 - LRB101 09686 RJF 54785 b

(1) The term of the extension of credit is no longer
 than the borrower's education program.

3 (2) The remaining, unpaid principal balance of the 4 extension of credit is less than \$1,500 at the time of the 5 borrower's graduation or completion of the program.

6 (3) The borrower fails to graduate or successfully 7 complete his or her education program and has a balance due 8 at the time of his or her disenrollment from the 9 postsecondary institution.

10 "Student loan servicer" or "servicer" means any person 11 engaged in the business of servicing student loans. <u>"Student</u> 12 <u>loan servicer" or "servicer" includes persons or entities</u> 13 acting on behalf of the State Treasurer.

"Student loan servicer" shall not include:

(1) a bank, savings bank, savings association, or
credit union organized under the laws of the State or any
other state or under the laws of the United States;

(2) a wholly owned subsidiary of any bank, savings
bank, savings association, or credit union organized under
the laws of the State or any other state or under the laws
of the United States;

(3) an operating subsidiary where each owner of the
operating subsidiary is wholly owned by the same bank,
savings bank, savings association, or credit union
organized under the laws of the State or any other state or
under the laws of the United States;

SB1524 Enrolled

(4) the Illinois Student Assistance Commission and its
 agents when the agents are acting on the Illinois Student
 Assistance Commission's behalf;

4

5

6

(5) a public postsecondary educational institution or a private nonprofit postsecondary educational institution servicing a student loan it extended to the borrower;

7 (6) a licensed debt management service under the Debt
8 Management Service Act, except to the extent that the
9 organization acts as a subcontractor, affiliate, or
10 service provider for an entity that is otherwise subject to
11 licensure under this Act;

12 (7) any collection agency licensed under the 13 Collection Agency Act that is collecting post-default 14 debt;

(8) in connection with its responsibilities as a guaranty agency engaged in default aversion, a State or nonprofit private institution or organization having an agreement with the U.S. Secretary of Education under Section 428(b) of the Higher Education Act (20 U.S.C. 1078(B));

(9) a State institution or a nonprofit private organization designated by a governmental entity to make or service student loans, provided in each case that the institution or organization services fewer than 20,000 student loan accounts of borrowers who reside in Illinois; or SB1524 Enrolled - 23 - LRB101 09686 RJF 54785 b
(10) a law firm or licensed attorney that is collecting
post-default debt; or(11) the State Treasurer.
(Source: P.A. 100-540, eff. 12-31-18; 100-635, eff. 12-31-18.)
Section 999. Effective date. This Act takes effect upon
becoming law.