



Sen. Kimberly A. Lightford

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1 AMENDMENT TO HOUSE BILL 2685

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2685 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 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  
10 qualified residents to attend and pay for post-secondary  
11 education through a system of investment programs, which may  
12 include income-sharing agreements, linked deposits, and  
13 origination and refinancing of student loans.

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

15 "Borrower" means an Illinois resident student who has

1 received an education loan or an Illinois resident parent who  
2 has received or agreed to pay an education loan, subject to  
3 approval by the State Treasurer.

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

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

13 "Income share agreement provider" means an organization  
14 that allows income share agreement participants to fund their  
15 education by means of an income share agreement.

16 "Institution of higher education" means a post-secondary  
17 educational institution located in Illinois and approved by the  
18 State Treasurer.

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

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

1           Section 15. Establishment of Student Investment Account.  
2           The State Treasurer may allocate up to 5% of the Treasurer's  
3           State Investment Portfolio to the Student Investment Account.  
4           The 5% cap shall be calculated based on: (1) the balance of the  
5           Treasurer's State Investment Portfolio at the inception of the  
6           State's fiscal year; or (2) the average balance of the  
7           Treasurer's State Investment Portfolio in the immediately  
8           preceding 5 fiscal years, whichever number is greater.

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

19          Section 25. Operation of the Student Investment Account.  
20          The State Treasurer may: originate, guarantee, acquire, and  
21          service education loans; facilitate such arrangements between  
22          borrowers and eligible lenders; and perform such other acts as  
23          may be necessary or desirable in connection with the education  
24          loans. The State Treasurer may receive, hold, and invest moneys

1 paid into the Student Investment Account and take such other  
2 actions as are necessary to operate the Student Investment  
3 Account. The State Treasurer may invest in, and enter into  
4 contracts with, institutions that provide education loans. The  
5 State Treasurer may also: enter into income share agreements  
6 with participants; facilitate such arrangements between  
7 participants and eligible income share agreement providers;  
8 and perform such other acts as may be necessary or desirable in  
9 connection with such income share agreements. The State  
10 Treasurer may also deposit funds with financial institutions  
11 that provide education loans.

12 Section 30. Administration of the Student Investment  
13 Account. The State Treasurer may enter into such contracts and  
14 guarantee agreements as are necessary to operate the Student  
15 Investment Account with eligible lenders, financial  
16 institutions, institutions of higher education, income share  
17 agreement providers, individuals, corporations, and qualified  
18 income share agreement or loan origination and servicing  
19 organizations and with any governmental entity, including the  
20 Illinois Student Assistance Commission, and with any agency or  
21 instrumentality of the United States. The State Treasurer is  
22 authorized to establish specific criteria governing the  
23 eligibility of entities to participate in its programs, the  
24 making of income share agreements or education loans,  
25 provisions for default, the establishment of default reserve

1 funds, the purchase of default insurance, the provision of  
2 prudent debt service reserves, and the furnishing by  
3 participating entities of such additional guarantees of the  
4 income share agreements or education loans as the State  
5 Treasurer shall determine.

6 Section 35. Fees. The State Treasurer shall establish fees  
7 to cover the costs of administration, recordkeeping,  
8 marketing, and investment management related to the Student  
9 Investment Account. The State Treasurer may pay eligible  
10 lenders, income share agreement providers, financial  
11 institutions, institutions of higher education, individuals,  
12 corporations, qualified income share agreement or loan  
13 origination and servicing organizations, governmental  
14 entities, and any agencies or instrumentalities of the United  
15 States an administrative fee in connection with services  
16 provided pursuant to the Student Investment Account in such  
17 amounts, at such times, and in such manner as may be prescribed  
18 by the State Treasurer.

19 Section 40. Insurance. The State Treasurer or his or her  
20 designee may charge and collect premiums for insurance on  
21 income share agreements or education loans and other related  
22 charges and pay such insurance premiums or a portion thereof  
23 and other charges as are prudent.

1           Section 45. Wage deductions. The State Treasurer may deduct  
2 from the salary, wages, commissions, and bonuses of any  
3 employee in this State and, to the extent permitted by the laws  
4 of the United States and individual states in which an employee  
5 might reside, any employee outside the State of Illinois by  
6 serving a notice of administrative wage garnishment on an  
7 employer, in accordance with rules adopted by the State  
8 Treasurer, for the recovery of an education loan debt or income  
9 share agreement owned or serviced by the State Treasurer. Levy  
10 must not be made until the State Treasurer has caused a demand  
11 to be made on the employee, in a manner consistent with rules  
12 adopted by the State Treasurer, such that the employee is  
13 provided an opportunity to contest the existence or amount of  
14 the income share agreement or education loan obligation.

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

18           Section 55. Student Investment Account Administrative  
19 Fund. The Student Investment Account Administrative Fund is  
20 created as a non-appropriated separate and apart trust fund in  
21 the State Treasury. Moneys in the Student Investment Account  
22 Administrative Fund may be used by the State Treasurer to pay  
23 expenses related to all aspects of operation and administration  
24 of the Student Investment Account. The State Treasurer may

1 deposit a portion of the earnings of the investments in the  
2 Student Investment Account and a portion of any administrative  
3 fees, and the proceeds thereof, collected pursuant to Section  
4 35 into the Student Investment Account Administrative Fund.

5 Section 60. Student Investment Account Loss Reserve Fund.  
6 The Student Investment Account Loss Reserve Fund may be created  
7 as a non-appropriated separate and apart trust fund in the  
8 State Treasury. Moneys in the Student Investment Account Loss  
9 Reserve Fund may be used by the State Treasurer to establish  
10 loss reserve funds. The State Treasurer may deposit a portion  
11 of the earnings of the investments in the Student Investment  
12 Account and a portion of any administrative fees, and the  
13 proceeds thereof, collected pursuant to Section 35 into the  
14 Student Investment Account Loss Reserve Fund.

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

1 Investment Account Assistance Fund.

2 Section 70. Rules. The State Treasurer may adopt rules he  
3 or she deems necessary or desirable to implement and administer  
4 this Act.

5 Section 900. The Deposit of State Moneys Act is amended by  
6 changing Section 22.5 as follows:

7 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

8 (For force and effect of certain provisions, see Section 90  
9 of P.A. 94-79)

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



1 delivered over as cash by a State Treasurer to his successor.

2 The State Treasurer may, with the approval of the Governor,  
3 purchase any state bonds with any money in the State Treasury  
4 that has been set aside and held for the payment of the  
5 principal of and interest on the bonds. The bonds shall be  
6 considered as cash and may be delivered over as cash by the  
7 State Treasurer to his successor.

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

22 The State Treasurer may not invest State money in any  
23 savings and loan or building and loan association unless a  
24 commitment by the savings and loan (or building and loan)  
25 association, executed by the president or chief executive  
26 officer of that association, is submitted in the following

1 form:

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

12           The State Treasurer may, with the approval of the Governor,  
13 invest or reinvest, at a price not to exceed par, any State  
14 money in the treasury that is not needed for current  
15 expenditures due or about to become due, or any money in the  
16 State Treasury that has been set aside and held for the payment  
17 of the principal of and interest on any State bonds, in bonds  
18 issued by counties or municipal corporations of the State of  
19 Illinois.

20           The State Treasurer may, with the approval of the Governor,  
21 invest or reinvest any State money in the Treasury which is not  
22 needed for current expenditure, due or about to become due, or  
23 any money in the State Treasury which has been set aside and  
24 held for the payment of the principal of and the interest on  
25 any State bonds, in participations in loans, the principal of  
26 which participation is fully guaranteed by an agency or

1 instrumentality of the United States government; provided,  
2 however, that such loan participations are represented by  
3 certificates issued only by banks which are incorporated under  
4 the laws of this State or any other state or under the laws of  
5 the United States, and such banks, but not the loan  
6 participation certificates, are insured by the Federal Deposit  
7 Insurance Corporation.

8 Whenever the total amount of vouchers presented to the  
9 Comptroller under Section 9 of the State Comptroller Act  
10 exceeds the funds available in the General Revenue Fund by  
11 \$1,000,000,000 or more, then the State Treasurer may invest any  
12 State money in the Treasury, other than money in the General  
13 Revenue Fund, Health Insurance Reserve Fund, Attorney General  
14 Court Ordered and Voluntary Compliance Payment Projects Fund,  
15 Attorney General Whistleblower Reward and Protection Fund, and  
16 Attorney General's State Projects and Court Ordered  
17 Distribution Fund, which is not needed for current  
18 expenditures, due or about to become due, or any money in the  
19 State Treasury which has been set aside and held for the  
20 payment of the principal of and the interest on any State bonds  
21 with the Office of the Comptroller in order to enable the  
22 Comptroller to pay outstanding vouchers. At any time, and from  
23 time to time outstanding, such investment shall not be greater  
24 than \$2,000,000,000. Such investment shall be deposited into  
25 the General Revenue Fund or Health Insurance Reserve Fund as  
26 determined by the Comptroller. Such investment shall be repaid

1 by the Comptroller with an interest rate tied to the London  
2 Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an  
3 equivalent market established variable rate, but in no case  
4 shall such interest rate exceed the lesser of the penalty rate  
5 established under the State Prompt Payment Act or the timely  
6 pay interest rate under Section 368a of the Illinois Insurance  
7 Code. The State Treasurer and the Comptroller shall enter into  
8 an intergovernmental agreement to establish procedures for  
9 such investments, which market established variable rate to  
10 which the interest rate for the investments should be tied, and  
11 other terms which the State Treasurer and Comptroller  
12 reasonably believe to be mutually beneficial concerning these  
13 investments by the State Treasurer. The State Treasurer and  
14 Comptroller shall also enter into a written agreement for each  
15 such investment that specifies the period of the investment,  
16 the payment interval, the interest rate to be paid, the funds  
17 in the Treasury from which the Treasurer will draw the  
18 investment, and other terms upon which the State Treasurer and  
19 Comptroller mutually agree. Such investment agreements shall  
20 be public records and the State Treasurer shall post the terms  
21 of all such investment agreements on the State Treasurer's  
22 official website. In compliance with the intergovernmental  
23 agreement, the Comptroller shall order and the State Treasurer  
24 shall transfer amounts sufficient for the payment of principal  
25 and interest invested by the State Treasurer with the Office of  
26 the Comptroller under this paragraph from the General Revenue

1 Fund or the Health Insurance Reserve Fund to the respective  
2 funds in the Treasury from which the State Treasurer drew the  
3 investment. Public Act 100-1107 ~~This amendatory Act of the~~  
4 ~~100th General Assembly~~ shall constitute an irrevocable and  
5 continuing authority for all amounts necessary for the payment  
6 of principal and interest on the investments made with the  
7 Office of the Comptroller by the State Treasurer under this  
8 paragraph, and the irrevocable and continuing authority for and  
9 direction to the Comptroller and Treasurer to make the  
10 necessary transfers.

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

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

21 (2) Bonds, notes, debentures, or other similar  
22 obligations of the United States of America, its agencies,  
23 and instrumentalities.

24 (2.5) Bonds, notes, debentures, or other similar  
25 obligations of a foreign government, other than the  
26 Republic of the Sudan, that are guaranteed by the full

1 faith and credit of that government as to principal and  
2 interest, but only if the foreign government has not  
3 defaulted and has met its payment obligations in a timely  
4 manner on all similar obligations for a period of at least  
5 25 years immediately before the time of acquiring those  
6 obligations.

7 (3) Interest-bearing savings accounts,  
8 interest-bearing certificates of deposit, interest-bearing  
9 time deposits, or any other investments constituting  
10 direct obligations of any bank as defined by the Illinois  
11 Banking Act.

12 (4) Interest-bearing accounts, certificates of  
13 deposit, or any other investments constituting direct  
14 obligations of any savings and loan associations  
15 incorporated under the laws of this State or any other  
16 state or under the laws of the United States.

17 (5) Dividend-bearing share accounts, share certificate  
18 accounts, or class of share accounts of a credit union  
19 chartered under the laws of this State or the laws of the  
20 United States; provided, however, the principal office of  
21 the credit union must be located within the State of  
22 Illinois.

23 (6) Bankers' acceptances of banks whose senior  
24 obligations are rated in the top 2 rating categories by 2  
25 national rating agencies and maintain that rating during  
26 the term of the investment.

1           (7) Short-term obligations of either corporations or  
2           limited liability companies organized in the United States  
3           with assets exceeding \$500,000,000 if (i) the obligations  
4           are rated at the time of purchase at one of the 3 highest  
5           classifications established by at least 2 standard rating  
6           services and mature not later than 270 days from the date  
7           of purchase, (ii) the purchases do not exceed 10% of the  
8           corporation's or the limited liability company's  
9           outstanding obligations, (iii) no more than one-third of  
10          the public agency's funds are invested in short-term  
11          obligations of either corporations or limited liability  
12          companies, and (iv) the corporation or the limited  
13          liability company has not been placed on the list of  
14          restricted companies by the Illinois Investment Policy  
15          Board under Section 1-110.16 of the Illinois Pension Code.

16          (7.5) Obligations of either corporations or limited  
17          liability companies organized in the United States, that  
18          have a significant presence in this State, with assets  
19          exceeding \$500,000,000 if: (i) the obligations are rated at  
20          the time of purchase at one of the 3 highest  
21          classifications established by at least 2 standard rating  
22          services and mature more than 270 days, but less than 5  
23          years, from the date of purchase; (ii) the purchases do not  
24          exceed 10% of the corporation's or the limited liability  
25          company's outstanding obligations; (iii) no more than 5% of  
26          the public agency's funds are invested in such obligations

1 of corporations or limited liability companies; and (iv)  
2 the corporation or the limited liability company has not  
3 been placed on the list of restricted companies by the  
4 Illinois Investment Policy Board under Section 1-110.16 of  
5 the Illinois Pension Code. The authorization of the  
6 Treasurer to invest in new obligations under this paragraph  
7 shall expire on June 30, 2019.

8 (8) Money market mutual funds registered under the  
9 Investment Company Act of 1940, provided that the portfolio  
10 of the money market mutual fund is limited to obligations  
11 described in this Section and to agreements to repurchase  
12 such obligations.

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

16 (10) Repurchase agreements of government securities  
17 having the meaning set out in the Government Securities Act  
18 of 1986, as now or hereafter amended or succeeded, subject  
19 to the provisions of that Act and the regulations issued  
20 thereunder.

21 (11) Investments made in accordance with the  
22 Technology Development Act.

23 (12) Investments made in accordance with the Student  
24 Investment Account Act.

25 For purposes of this Section, "agencies" of the United  
26 States Government includes:



1           (i) the federal land banks, federal intermediate  
2           credit banks, banks for cooperatives, federal farm credit  
3           banks, or any other entity authorized to issue debt  
4           obligations under the Farm Credit Act of 1971 (12 U.S.C.  
5           2001 et seq.) and Acts amendatory thereto;

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

8           (iii) the Commodity Credit Corporation; and

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

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

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

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

22               (110 ILCS 992/1-5)

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

24               "Applicant" means a person applying for a license pursuant

1 to this Act.

2 "Borrower" or "student loan borrower" means a person who  
3 has received or agreed to pay a student loan for his or her own  
4 educational expenses.

5 "Cosigner" means a person who has agreed to share  
6 responsibility for repaying a student loan with a borrower.

7 "Department" means the Department of Financial and  
8 Professional Regulation.

9 "Division of Banking" means the Division of Banking of the  
10 Department of Financial and Professional Regulation.

11 "Federal loan borrower eligible for referral to a repayment  
12 specialist" means a borrower who possesses any of the following  
13 characteristics:

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

16 (2) indicates that he or she is experiencing or  
17 anticipates experiencing financial hardship, distress, or  
18 difficulty making his or her payments;

19 (3) has missed 2 consecutive monthly payments;

20 (4) is at least 75 days delinquent;

21 (5) is enrolled in a discretionary forbearance for more  
22 than 9 of the previous 12 months;

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

25 (7) has not completed a course of study, as reflected  
26 in the servicer's records, or the borrower identifies

1           himself or herself as not having completed a program of  
2           study.

3           "Federal education loan" means any loan made, guaranteed,  
4           or insured under Title IV of the federal Higher Education Act  
5           of 1965.

6           "Income-driven payment plan certification" means the  
7           documentation related to a federal student loan borrower's  
8           income or financial status the borrower must submit to renew an  
9           income-driven repayment plan.

10          "Income-driven repayment options" includes the  
11          Income-Contingent Repayment Plan, the Income-Based Repayment  
12          Plan, the Income-Sensitive Repayment Plan, the Pay As You Earn  
13          Plan, the Revised Pay As You Earn Plan, and any other federal  
14          student loan repayment plan that is calculated based on a  
15          borrower's income.

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

17          "Other repayment plans" means the Standard Repayment Plan,  
18          the Graduated Repayment Plan, the Extended Repayment Plan, or  
19          any other federal student loan repayment plan not based on a  
20          borrower's income.

21          "Private loan borrower eligible for referral to a repayment  
22          specialist" means a borrower who possesses any of the following  
23          characteristics:

24                 (1) requests information related to options to reduce  
25                 or suspend his or her monthly payments; or

26                 (2) indicates that he or she is experiencing or

1 anticipates experiencing financial hardship, distress, or  
2 difficulty making his or her payments.

3 "Requester" means any borrower or cosigner that submits a  
4 request for assistance.

5 "Request for assistance" means all inquiries, complaints,  
6 account disputes, and requests for documentation a servicer  
7 receives from borrowers or cosigners.

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

12 "Servicing" means: (1) receiving any scheduled periodic  
13 payments from a student loan borrower or cosigner pursuant to  
14 the terms of a student loan; (2) applying the payments of  
15 principal and interest and such other payments with respect to  
16 the amounts received from a student loan borrower or cosigner,  
17 as may be required pursuant to the terms of a student loan; and  
18 (3) performing other administrative services with respect to a  
19 student loan.

20 "Student loan" or "loan" means any federal education loan  
21 or other loan primarily for use to finance a postsecondary  
22 education and costs of attendance at a postsecondary  
23 institution, including, but not limited to, tuition, fees,  
24 books and supplies, room and board, transportation, and  
25 miscellaneous personal expenses. "Student loan" includes a  
26 loan made to refinance a student loan.

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

5 "Student loan" shall not include an extension of credit  
6 made by a postsecondary educational institution to a borrower  
7 if one of the following apply:

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

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

13 (3) The borrower fails to graduate or successfully  
14 complete his or her education program and has a balance due  
15 at the time of his or her disenrollment from the  
16 postsecondary institution.

17 "Student loan servicer" or "servicer" means any person  
18 engaged in the business of servicing student loans.

19 "Student loan servicer" shall not include:

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

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

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

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

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

12           (6) a licensed debt management service under the Debt  
13 Management Service Act, except to the extent that the  
14 organization acts as a subcontractor, affiliate, or  
15 service provider for an entity that is otherwise subject to  
16 licensure under this Act;

17           (7) any collection agency licensed under the  
18 Collection Agency Act that is collecting post-default  
19 debt;

20           (8) in connection with its responsibilities as a  
21 guaranty agency engaged in default aversion, a State or  
22 nonprofit private institution or organization having an  
23 agreement with the U.S. Secretary of Education under  
24 Section 428(b) of the Higher Education Act (20 U.S.C.  
25 1078(B));

26           (9) a State institution or a nonprofit private

1 organization designated by a governmental entity to make or  
2 service student loans, provided in each case that the  
3 institution or organization services fewer than 20,000  
4 student loan accounts of borrowers who reside in Illinois;

5 ~~or~~

6 (10) a law firm or licensed attorney that is collecting  
7 post-default debt; ~~or-~~

8 (11) the State Treasurer.

9 (Source: P.A. 100-540, eff. 12-31-18; 100-635, eff. 12-31-18.)

10 Section 999. Effective date. This Act takes effect upon  
11 becoming law."