

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 5.675 as follows:

6 (30 ILCS 105/5.675 new)

7 Sec. 5.675. The Higher Education Revolving Loan Fund.

8 Section 10. The Higher Education Student Assistance Act is  
9 amended by adding Section 65.85 as follows:

10 (110 ILCS 947/65.85 new)

11 Sec. 65.85. Higher education revolving loans.

12 (a) In this Section, "eligible student" means a student  
13 enrolled at the undergraduate level at an institution of higher  
14 learning who (i) if the student has not yet completed one term  
15 at an institution of higher learning, had a 3.0 cumulative  
16 grade point average or its equivalent after graduating from an  
17 approved high school; (ii) if the student has completed at  
18 least one term at an institution of higher learning, has a 3.0  
19 post-secondary cumulative grade point average or its  
20 equivalent; (iii) is a resident of this State and a citizen or  
21 permanent resident of the United States; and (iv) is from a

1 family that has an adjusted gross income not to exceed 250% of  
2 the federal poverty guidelines as published in the Federal  
3 Register by the U.S. Department of Health and Human Services.

4 (b) The Commission shall, subject to appropriation,  
5 implement and administer a higher education revolving loan  
6 program to provide loans to eligible students, as defined in  
7 this Act and as determined by the Commission, for the costs of  
8 attending an institution of higher learning in this State.  
9 These loans must be offered at a low interest rate to be  
10 determined by the Commission, taking into account in its  
11 deliberations both program sustainability and affordability  
12 for loan recipients.

13 (c) An individual may not receive loans under this Section  
14 in excess of \$5,000 or the student's tuition and mandatory  
15 fees, whichever is less, per academic year. Loan funds must be  
16 paid directly to the institution of higher learning.

17 (d) The repayment period for a loan made under this Section  
18 may not exceed 15 years. A person who receives a loan under  
19 this Section shall begin repaying the loan beginning 6 months  
20 after the person no longer attends an institution of higher  
21 learning. The loan recipient shall repay at a minimum 5% of the  
22 principal each year or the remaining balance of the loan.  
23 Additionally, in each month, the loan recipient shall repay a  
24 minimum of \$50 or the remaining balance of the loan. All  
25 repayments of loans shall be deposited into the Higher  
26 Education Revolving Loan Fund.

1       (e) The Higher Education Revolving Loan Fund is created as  
2       a special fund in the State treasury. All money in the Fund  
3       shall be used, subject to appropriation, by the Commission for  
4       making loans under this Section. The Fund shall consist of any  
5       moneys transferred or appropriated into the Fund, as well as  
6       all repayments of loans made under the higher education  
7       revolving loan program. The Fund shall be used for the purposes  
8       of this Section and for no other purpose. All interest earned  
9       on moneys in the Fund shall be deposited into the Fund.

10       (f) The Commission shall adopt any rules necessary to  
11       implement and administer this Section.

12       Section 99. Effective date. This Act takes effect July 1,  
13       2007.