



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1455

Introduced 2/9/2007, by Sen. Martin A. Sandoval

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.675 new
110 ILCS 947/65.85 new

Amends the Higher Education Student Assistance Act and the State Finance Act. Requires the Illinois Student Assistance Commission to implement and administer a higher education revolving loan program to provide nominal interest loans for the costs of attending a public or private institution of higher education in this State. Provides that the loans must be made to high performance students and may not exceed \$10,000 per person per academic year. Contains provisions concerning repayment. Creates the Higher Education Revolving Loan Fund as a special fund in the State treasury. Effective July 1, 2007.

LRB095 11069 NHT 31393 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 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 loan program.

12 (a) In this Section:

13 "High performance student" means a student enrolled at an
14 institution of higher education who (i) if the student has not
15 yet completed one term at an institution of higher education,
16 had an A- grade point average or its equivalent after
17 graduating from high school or (ii) if the student has
18 completed at least one term at an institution of higher
19 education, has an A- grade point average or its equivalent.

20 "Nominal interest" means a rate of interest that is equal
21 to the percentage increase if any in the Consumer Price Index

1 for All Urban Consumers for all items published by the United
2 States Department of Labor for the 12 months ending on the
3 previous December 31. If the rate does not increase for this
4 time period, the nominal interest rate shall be 0%.

5 (b) The Commission shall implement and administer a higher
6 education revolving loan program. The program shall provide
7 nominal interest loans for the costs of attending a public or
8 private institution of higher education in this State. The
9 Commission shall make loans to high performance students, as
10 defined in this Section and as determined by the Commission.
11 The student must be an Illinois resident, but need not be a
12 U.S. citizen. The loan amount may not exceed \$10,000 per person
13 per academic year.

14 (c) The repayment period for a loan made under this Section
15 may not exceed 10 years. A person who receives a loan under
16 this Section shall begin repaying the loan beginning one year
17 after the person no longer attends an institution of higher
18 education. The person shall repay each year at least 5% of the
19 principal amount borrowed or the remaining balance of the loan,
20 whichever is less. All repayments of loans shall be deposited
21 into the Higher Education Revolving Loan Fund.

22 (d) The Higher Education Revolving Loan Fund is created as
23 a special fund in the State treasury. All money in the Fund
24 shall be used, subject to appropriation, by the Commission for
25 making loans under this Section. The Fund shall consist of any
26 moneys transferred or appropriated into the Fund, as well as

1 all repayments of loans made under the higher education
2 revolving loan program. The Fund shall be used for the purposes
3 of this Section and for no other purpose. All interest earned
4 on moneys in the Fund shall be deposited into the Fund.

5 (e) The Commission shall adopt any rules necessary to
6 implement and administer this Section.

7 Section 99. Effective date. This Act takes effect July 1,
8 2007.