



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3242

Introduced 2/9/2010, by Sen. Martin A. Sandoval

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.755 new
110 ILCS 947/65.90 new

Amends the State Finance Act to create the Higher Education Revolving Loan Fund as a special fund in the State treasury. Provides that all repayments of loans under the amendatory provisions shall be deposited into the Fund. Provides that all money in the Fund shall be used, subject to appropriation, by the Commission for making loans under the amendatory provisions. Amends the Higher Education Student Assistance Act. Requires the Illinois Student Assistance Commission, subject to appropriation, to implement and administer a higher education revolving loan program to provide loans to eligible students for the costs of attending an institution of higher learning in this State. Provides that the loans must be offered at a low interest rate to be determined by the Commission. Provides that an individual may not receive loans in excess of \$5,000 or the student's tuition and mandatory fees, whichever is less, per academic year. Provides that loan funds must be paid directly to the institution of higher learning. Provides that the repayment period for a loan may not exceed 15 years. Contains other provisions concerning repayment.

LRB096 20470 MJR 36125 b

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 5.755 as follows:

6 (30 ILCS 105/5.755 new)

7 Sec. 5.755. The Higher Education Revolving Loan Fund.

8 Section 10. The Higher Education Student Assistance Act is
9 amended by adding Section 65.90 as follows:

10 (110 ILCS 947/65.90 new)

11 Sec. 65.90. 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 or (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. The student must also be an Illinois resident.
21 Notwithstanding any other provision of law to the contrary, the

1 Commission shall deem an individual an Illinois resident, until
2 the individual establishes a residence outside of this State,
3 if all of the following conditions are met:

4 (1) The individual resided with his or her parent or
5 guardian while attending a public or private high school in
6 this State.

7 (2) The individual graduated from a public or private
8 high school or received the equivalent of a high school
9 diploma in this State.

10 (3) The individual attended school in this State for at
11 least 3 years as of the date the individual graduated from
12 high school or received the equivalent of a high school
13 diploma.

14 (4) In the case of an individual who is not a citizen
15 or a permanent resident of the United States, the
16 individual provides the Commission with an affidavit
17 stating that the individual will file an application to
18 become a permanent resident of the United States at the
19 earliest opportunity the individual is eligible to do so.

20 (b) The Commission shall, subject to appropriation,
21 implement and administer a higher education revolving loan
22 program to provide loans to eligible students, as defined in
23 this Act and as determined by the Commission, for the costs of
24 attending an institution of higher learning in this State.
25 These loans must be offered at a low interest rate to be
26 determined by the Commission, taking into account in its

1 deliberations both program sustainability and affordability
2 for loan recipients.

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

7 (d) The repayment period for a loan made under this Section
8 may not exceed 15 years. A person who receives a loan under
9 this Section shall begin repaying the loan beginning 6 months
10 after the person no longer attends an institution of higher
11 learning. The loan recipient shall repay at a minimum 5% of the
12 principal each year or the remaining balance of the loan.
13 Additionally, in each month, the loan recipient shall repay a
14 minimum of \$50 or the remaining balance of the loan. All
15 repayments of loans shall be deposited into the Higher
16 Education Revolving Loan Fund.

17 (e) The Higher Education Revolving Loan Fund is created as
18 a special fund in the State treasury. All money in the Fund
19 shall be used, subject to appropriation, by the Commission for
20 making loans under this Section. The Fund shall consist of any
21 moneys transferred or appropriated into the Fund, as well as
22 all repayments of loans made under the higher education
23 revolving loan program. The Fund shall be used for the purposes
24 of this Section and for no other purpose. All interest earned
25 on moneys in the Fund shall be deposited into the Fund.

26 (f) The Commission shall adopt any rules necessary to

1 implement and administer this Section.