

AN ACT concerning education.

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

Section 5. The Higher Education Student Assistance Act is amended by changing Section 80 as follows:

(110 ILCS 947/80)

Sec. 80. Additional assistance; Loans; Powers and Duties. The Commission shall have the following powers in furtherance of its programs:

(a) To guarantee the loan of money in amounts not to exceed the yearly or aggregate totals authorized by the Federal Higher Education Act of 1965. The Commission may guarantee loans for qualified borrowers for use at any approved institution of higher learning provided the borrower and institution are eligible for the loan under the Higher Education Act of 1965. All loans shall be guaranteed and bear interest as prescribed by the Higher Education Act of 1965, or by any other Federal statute hereafter enacted providing for Federal payment of interest or other subsidy on behalf of borrowers. Loans made by eligible lenders in accordance with this Act shall be guaranteed whether made from funds fully owned by the lender or from funds held by the lender in a trust or similar capacity and available for such loans.

(b) To sue and be sued in the name of the Commission.

(c) To adopt rules and regulations governing the guarantee, origination, or servicing of loans and any other matters relating to the activities of the Commission.

(d) To originate, guarantee, acquire, and service loans and to perform such other acts as may be necessary or appropriate in connection with the loans.

(e) To require that any educational loan made under this Act shall be repaid and be secured in such manner and at such time as the Commission prescribes, including perfecting a security interest therein in such manner as the Commission shall determine.

(f) To enter into such contracts and guarantee agreements with eligible lenders, eligible education institutions, individuals, corporations, and loan servicing organizations and with any other governmental agency and with any agency of the United States, including agreements for Federal reinsurance of losses resulting from the death, default, or total and permanent disability of borrowers, as are necessary or incidental to the performance of its duties and to carry out its functions under this Act, and to make such payments as may be specified in such contracts and agreements from such sources as set forth therein, all notwithstanding any other provisions of this Act or any other law.

(g) To receive and accept from any agency of the United States or any agency of the State of Illinois or any

municipality, county, or other political subdivision thereof or from any individual, association, or corporation gifts, grants, or donations of money.

(h) To participate in any Federal government program for guaranteed loans or subsidies to borrowers and to receive, hold, and disburse funds made available for the purpose or purposes for which they are made available.

(i) To pay to eligible lenders an administrative cost allowance in such amount, at such times, and in such manner as may be prescribed by the Commission.

(j) To pay the Federal government a portion of those funds obtained by the Commission from collection and recoupment of losses on defaulted loans in such amounts and in such manner as provided by any Federal reinsurance agreement.

(k) To charge and collect premiums for insurance on loans and other appropriate charges and pay such insurance premiums or a portion thereof and other charges as are appropriate.

(l) To create such entities and organizations and programs as the Commission determines are necessary or incidental to the performance of its duties and to carry out any function under this Act.

(l-5) To deduct from the salary, wages, commissions, and bonuses of any employee in this State and, to the extent permitted by the laws of the United States and individual states in which an employee might reside, any employee outside the State of Illinois by serving a notice of administrative

wage garnishment on an employer, in accordance with rules adopted by the Commission, for the recovery of a student loan debt owned or serviced by the Commission. Levy must not be made until the Commission has caused a demand to be made on the employee, in a manner consistent with rules adopted by the Commission, such that the employee is provided an opportunity to contest the existence or amount of the student loan obligation.

(m) Except with respect to obligations issued prior to July 14, 1994, to exercise all functions, rights, powers, duties, and responsibilities now or hereafter authorized to be exercised by any other State agency pursuant to the Higher Education Loan Act of this State. The authorization to any other State agency to exercise those functions, rights, powers, duties, and responsibilities is not affected by this authorization to the Commission.

(Source: P.A. 88-553; 89-442, eff. 12-21-95.)

Section 99. Effective date. This Act takes effect upon becoming law.