

SB3800



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3800

Introduced 2/10/2012, by Sen. Edward D. Maloney

SYNOPSIS AS INTRODUCED:

110 ILCS 947/80

Amends the Higher Education Student Assistance Act. Authorizes the Illinois Student Assistance Commission to deduct from the salary, wages, commissions, and bonuses of any employee in this State and, as otherwise permitted, any employee outside the State of Illinois by serving a notice of administrative wage garnishment on an employer for the recovery of a student loan debt owned or serviced by the Commission. Provides that levy must not be made until the Commission has caused a demand to be made on the employee such that the employee is provided an opportunity to contest the existence or amount of the student loan obligation. Effective immediately.

LRB097 14469 NHT 59322 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 Higher Education Student Assistance Act is
5 amended by changing Section 80 as follows:

6 (110 ILCS 947/80)

7 Sec. 80. Additional assistance; Loans; Powers and Duties.

8 The Commission shall have the following powers in furtherance
9 of its programs:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (m) Except with respect to obligations issued prior to July
10 14, 1994, to exercise all functions, rights, powers, duties,
11 and responsibilities now or hereafter authorized to be
12 exercised by any other State agency pursuant to the Higher
13 Education Loan Act of this State. The authorization to any
14 other State agency to exercise those functions, rights, powers,
15 duties, and responsibilities is not affected by this
16 authorization to the Commission.

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

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