



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB3653

by Rep. Mary E. Flowers

#### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.826 new

Creates the Underserved Population Loan Program Act and Amends the State Finance Act. Creates an interest-free loan program, which shall be known as the Underserved Population Loan Program, to be administered by the Illinois Student Assistance Commission to provide encouragement to, an opportunity for, and an incentive for qualified persons to pursue a baccalaureate degree at a public university. Requires the Commission to consider applications for participation in the Program each academic year. Sets forth eligibility requirements for participation in the Program, including requiring an applicant to have insufficient funds to pay for the costs of attending a public university. Requires the Commission to enter into a Program agreement with each Program participant; provides that prior to receiving a loan under the Program, a participant must sign the Program agreement; and sets forth what the participant must pledge to do. Contains provisions concerning the loans, the Underserved Population Loan Program Fund, and rules. Effective immediately.

LRB098 12567 NHT 46993 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 1. Short title. This Act may be cited as the  
5 Underserved Population Loan Program Act.

6 Section 5. Definitions. In this Act:

7 "Commission" means the Illinois Student Assistance  
8 Commission.

9 "Program" means the Underserved Population Loan Program  
10 established under this Act.

11 "University" means a public university located in this  
12 State.

13 Section 10. Underserved Population Loan Program.

14 (a) There is created an interest-free loan program, which  
15 shall be known as the Underserved Population Loan Program, to  
16 be administered by the Commission. The implementation and  
17 administration of the Program is subject to appropriation from  
18 the Underserved Population Loan Program Fund.

19 (b) The purpose of the Program is to provide encouragement  
20 to, an opportunity for, and an incentive for qualified persons  
21 to pursue a baccalaureate degree at a university.

22 (c) Beginning with the 2014-2015 academic year, the

1 Commission shall, each academic year, consider applications  
2 for participation in the Program. An applicant is eligible to  
3 participate in the Program if the Commission finds that the  
4 applicant meets all of the following qualifications:

5 (1) He or she is a United States citizen or eligible  
6 noncitizen.

7 (2) He or she is a resident of this State.

8 (3) He or she is enrolled, on a full-time basis, in a  
9 university as a freshman undergraduate student.

10 (4) He or she has insufficient funds to pay for the  
11 costs of attending a university. An applicant shall  
12 demonstrate that he or she has insufficient funds by  
13 providing to the Commission documentation from the Free  
14 Application for Federal Student Aid verifying that he or  
15 she has insufficient expected family contributions.

16 Section 15. Program agreement.

17 (a) The Commission shall enter into a Program agreement  
18 with each Program participant. Prior to receiving a loan under  
19 the Program, a participant must sign the Program agreement  
20 pledging that he or she shall do the following:

21 (1) Remain a resident of this State. A person may not  
22 continue to participate in the Program if he or she fails  
23 to meet this pledge.

24 (2) Remain enrolled on a full-time basis in the same  
25 university or another university until he or she receives

1 his or her baccalaureate degree. A person may not continue  
2 to participate in the Program if he or she fails to meet  
3 this pledge.

4 (3) Provide to the Commission, for each academic year  
5 of participation, documentation from the Free Application  
6 for Federal Student Aid verifying that he or she has  
7 insufficient expected family contributions. A person may  
8 not continue to participate in the Program if he or she  
9 fails to meet this pledge.

10 (4) Maintain a cumulative grade point average of at  
11 least a 2.0 on a 4.0 scale (or the equivalent as determined  
12 by the Commission) at the end of each semester of  
13 enrollment. If a Program participant does not maintain this  
14 minimum cumulative grade point average at the end of any  
15 given semester, the Commission shall place the participant  
16 on probation the next semester, during which time he or she  
17 may not receive a loan. If the student restores this  
18 minimum cumulative grade point average at the end of the  
19 probationary semester, then he or she may receive a loan  
20 for the semester following the probationary semester. A  
21 person may not continue to participate in the Program if he  
22 or she fails to restore this minimum cumulative grade point  
23 average at the end of the probationary semester.

24 (5) Receive a baccalaureate degree from a university  
25 within 5 academic years, beginning with enrollment as a  
26 freshman undergraduate student.

1 (b) The fulfillment of the Program agreement may be  
2 postponed under any of the following circumstances:

3 (1) Any period of temporary medical disability during  
4 which a participant is unable to attend school.

5 (2) Any period of time in which a participant is  
6 engaged in mandatory military service as part of the U.S.  
7 Armed Forces.

8 (3) Any other period of postponement agreed to or  
9 determined in accordance with criteria agreed to in the  
10 Program agreement.

11 The Program agreement may be discharged prematurely upon  
12 the death of the Program participant or in the event that the  
13 Program participant is unable to attend school due to permanent  
14 disability.

15 Section 20. Loans.

16 (a) Each Program participant shall receive an  
17 interest-free loan each semester of enrollment in an amount per  
18 semester to cover the educational expenses to be incurred by  
19 the participant for that semester, including without  
20 limitation tuition and fees, room and board, and books and  
21 supplies, less any amount received by the participant from  
22 other financial assistance and subject to proration due to  
23 insufficient funding for the Program. A person may remain a  
24 Program participant until he or she receives his or her  
25 baccalaureate degree from a university, but in no event may a

1 person be a Program participant for more than 5 academic years,  
2 beginning with enrollment as a freshman undergraduate student.

3 (b) All loans disbursed to a Program participant must be  
4 repaid beginning one year after he or she is no longer a  
5 Program participant, which repayment must be based on a 10-year  
6 repayment schedule. Payments received by the Commission in  
7 accordance with this subsection (b) must be deposited into the  
8 Underserved Population Loan Program Fund.

9 Section 25. Underserved Population Loan Program Fund. The  
10 Underserved Population Loan Program Fund is created as a  
11 special fund in the State treasury. All money in the Fund shall  
12 be used, subject to appropriation, by the Commission for  
13 implementing, administering, and funding the Program.

14 Section 80. Rules. The Commission may adopt any rules  
15 necessary to carry out its responsibilities under this Act.

16 Section 90. The State Finance Act is amended by adding  
17 Section 5.826 as follows:

18 (30 ILCS 105/5.826 new)

19 Sec. 5.826. The Underserved Population Loan Program Fund.

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