



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1524

Introduced 2/15/2019, by Sen. Kimberly A. Lightford

SYNOPSIS AS INTRODUCED:

New Act

15 ILCS 520/22.5

110 ILCS 992/1-5

from Ch. 130, par. 41a

Creates the Illinois Student Loan Investment Act. Provides for the establishment, operation, and administration of the Student Investment Account by the State Treasurer. Provides that the State Treasurer shall establish fees to cover the costs of administration, recordkeeping, marketing, and investment management related to the Student Investment Account. Provides that the State Treasurer may charge and collect insurance premiums and deduct wages under the Act. Requires the State Treasurer to develop, publish, and implement one or more investment policies covering the investment of moneys under the Act. Provides for the creation and use of specified Funds to be held outside of the State Treasury with the State Treasurer as custodian. Provides for the adoption of rules. Amends the Deposit of State Moneys Act. Allows the State Treasurer to invest or reinvest State money in, among other items or purposes, investments made in accordance with the Student Loan Investment Act. Amends the Student Loan Servicing Rights Act. Provides that the term "student loan servicer" shall not include, among other entities, the State Treasurer and its agents when the agents are acting on the State Treasurer's behalf. Defines terms. Effective immediately.

LRB101 09686 RJF 54785 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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 Student Loan Investment Act.

6 Section 5. Findings and purpose. The General Assembly finds
7 that it is vital for the State to combat the college-debt
8 crisis and increase access to post-secondary education for all
9 residents of this State. The purpose of this Act is to assist
10 qualified residents to attend and pay for post-secondary
11 education through a system of investment programs, which may
12 include income-sharing agreements, linked deposits, and
13 origination and refinancing of student loans.

14 Section 10. Definitions. As used in this Act:

15 "Borrower" means an Illinois resident student who has
16 received an education loan or an Illinois resident parent who
17 has received or agreed to pay an education loan, subject to
18 approval by the State Treasurer.

19 "Education loan" means a loan made to a borrower in
20 accordance with this Act to finance an Illinois resident
21 student's attendance at an institution of higher education.

22 "Education loan" also includes Income Share Agreements.

1 "Income share agreement" means an agreement between a
2 borrower and an eligible lender approved by the State Treasurer
3 in which the borrower agrees to pay a percentage of the
4 borrower's future earnings for a fixed period in exchange for
5 funds to pay for their post-secondary education.

6 "Institution of higher education" means a post-secondary
7 educational institution located in Illinois and approved by the
8 State Treasurer.

9 "Student Investment Account" means that portion of the
10 Treasurer's State Investment Portfolio described in Section 15
11 this Act.

12 Section 15. Establishment of Student Investment Account.
13 The State Treasurer may allocate up to 5% of the Treasurer's
14 State Investment Portfolio (State Investment Portfolio) to the
15 Student Investment Account. The 5% cap shall be calculated
16 based on: (1) the balance of the State Investment Portfolio at
17 the inception of the State's fiscal year; or (2) the average
18 balance of the State Investment Portfolio in the immediately
19 preceding 5 fiscal years, whichever number is greater. Earnings
20 on the investments in the Student Investment Account may be
21 reinvested into the Student Investment Account without being
22 counted against the 5% cap.

23 Section 20. Operation of the Student Investment Account.
24 The State Treasurer may: originate, guarantee, acquire, and

1 service education loans; facilitate such arrangements between
2 borrowers and eligible lenders; and perform such other acts as
3 may be necessary or desirable in connection with the education
4 loans. The State Treasurer may receive, hold, and invest moneys
5 paid into the Student Investment Account and take such other
6 actions as are necessary to operate the Student Investment
7 Account. The State Treasurer may invest in, and enter into
8 contracts with, institutions that provide education loans. The
9 State Treasurer may also: enter into Income Share Agreements
10 with borrowers; facilitate such arrangements between borrowers
11 and eligible lenders; and perform such other acts as may be
12 necessary or desirable in connection with such Income Share
13 Agreements. The State Treasurer may also deposit funds with
14 financial institutions that provide education loans.

15 Section 25. Administration of the Student Investment
16 Account. The State Treasurer may enter into such contracts and
17 guarantee agreements as are necessary to operate the Student
18 Investment Account with eligible lenders, financial
19 institutions, institutions of higher education, individuals,
20 corporations, and qualified loan origination and servicing
21 organizations and with any governmental entity and with any
22 agency or instrumentality of the United States. The State
23 Treasurer is authorized to establish specific criteria
24 governing the eligibility of entities to participate in its
25 programs, the making of education loans, provisions for

1 default, the establishment of default reserve funds, the
2 purchase of default insurance, the provision of prudent debt
3 service reserves, and the furnishing by participating entities
4 of such additional guarantees of the education loans as the
5 State Treasurer shall determine.

6 Section 30. Fees. The State Treasurer shall establish fees
7 to cover the costs of administration, recordkeeping,
8 marketing, and investment management related to the Student
9 Investment Account. The State Treasurer may pay eligible
10 lenders, financial institutions, institutions of higher
11 education, individuals, corporations, qualified loan
12 origination and servicing organizations, governmental
13 entities, and any agencies or instrumentalities of the United
14 States an administrative fee in connection with services
15 provided pursuant to the Student Investment Account in such
16 amounts, at such times, and in such manner as may be prescribed
17 by the State Treasurer.

18 Section 35. Insurance. The State Treasurer may charge and
19 collect premiums for insurance on education loans and other
20 related charges and pay such insurance premiums or a portion
21 thereof and other charges as are prudent.

22 Section 40. Wage deductions. The State Treasurer may deduct
23 from the salary, wages, commissions, and bonuses of any

1 employee in this State and, to the extent permitted by the laws
2 of the United States and individual states in which an employee
3 might reside, any employee outside the State of Illinois by
4 serving a notice of administrative wage garnishment on an
5 employer, in accordance with rules adopted by the State
6 Treasurer, for the recovery of an education loan debt owned or
7 serviced by the State Treasurer. Levy must not be made until
8 the State Treasurer has caused a demand to be made on the
9 employee, in a manner consistent with rules adopted by the
10 State Treasurer, such that the employee is provided an
11 opportunity to contest the existence or amount of the education
12 loan obligation.

13 Section 45. Investment policy. The State Treasurer shall
14 develop, publish, and implement one or more investment policies
15 covering the investment of moneys in accordance with this Act.

16 Section 50. Student Investment Account Administrative
17 Fund. The Student Investment Account Administrative Fund
18 (Administrative Fund) is created as a special fund outside the
19 State treasury with the State Treasurer as custodian. Moneys in
20 the Administrative Fund may be used by the State Treasurer to
21 pay expenses related to all aspects of operation and
22 administration of the Student Investment Account. The State
23 Treasurer may deposit a portion of the earnings of the
24 investments in the Student Investment Account and a portion of

1 any administrative fees, and the proceeds thereof, collected
2 pursuant to Section 30 into the Administrative Fund.

3 Section 55. Student Investment Account Loss Reserve Fund.
4 The Student Investment Account Loss Reserve Fund (Loss Reserve
5 Fund) may be created as a special fund outside the State
6 treasury with the State Treasurer as custodian. Moneys in the
7 Loss Reserve Fund may be used by the State Treasurer to
8 establish loss reserve funds. The State Treasurer may deposit a
9 portion of the earnings of the investments in the Student
10 Investment Account and a portion of any administrative fees,
11 and the proceeds thereof, collected pursuant to Section 30 into
12 the Loss Reserve Fund.

13 Section 60. Student Investment Account Assistance Fund.
14 The Student Investment Account Assistance Fund (Assistance
15 Fund) may be created as a special fund outside the State
16 treasury with the State Treasurer as custodian. Moneys in the
17 Assistance Fund may be used by the State Treasurer to provide
18 assistance to qualifying borrowers. The State Treasurer may
19 deposit a portion of the earnings of the investments in the
20 Student Investment Account and a portion of any administrative
21 fees, and the proceeds thereof, collected pursuant to Section
22 30 into the Assistance Fund.

23 Section 65. Rules. The State Treasurer may adopt rules he

1 or she deems necessary or desirable to implement and administer
2 this Act.

3 Section 900. The Deposit of State Moneys Act is amended by
4 changing Section 22.5 as follows:

5 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

6 (For force and effect of certain provisions, see Section 90
7 of P.A. 94-79)

8 Sec. 22.5. Permitted investments. The State Treasurer may,
9 with the approval of the Governor, invest and reinvest any
10 State money in the treasury which is not needed for current
11 expenditures due or about to become due, in obligations of the
12 United States government or its agencies or of National
13 Mortgage Associations established by or under the National
14 Housing Act, 12 ~~1201~~ U.S.C. 1701 et seq., or in mortgage
15 participation certificates representing undivided interests in
16 specified, first-lien conventional residential Illinois
17 mortgages that are underwritten, insured, guaranteed, or
18 purchased by the Federal Home Loan Mortgage Corporation or in
19 Affordable Housing Program Trust Fund Bonds or Notes as defined
20 in and issued pursuant to the Illinois Housing Development Act.
21 All such obligations shall be considered as cash and may be
22 delivered over as cash by a State Treasurer to his successor.

23 The State Treasurer may, with the approval of the Governor,
24 purchase any state bonds with any money in the State Treasury

1 that has been set aside and held for the payment of the
2 principal of and interest on the bonds. The bonds shall be
3 considered as cash and may be delivered over as cash by the
4 State Treasurer to his successor.

5 The State Treasurer may, with the approval of the Governor,
6 invest or reinvest any State money in the treasury that is not
7 needed for current expenditure due or about to become due, or
8 any money in the State Treasury that has been set aside and
9 held for the payment of the principal of and the interest on
10 any State bonds, in shares, withdrawable accounts, and
11 investment certificates of savings and building and loan
12 associations, incorporated under the laws of this State or any
13 other state or under the laws of the United States; provided,
14 however, that investments may be made only in those savings and
15 loan or building and loan associations the shares and
16 withdrawable accounts or other forms of investment securities
17 of which are insured by the Federal Deposit Insurance
18 Corporation.

19 The State Treasurer may not invest State money in any
20 savings and loan or building and loan association unless a
21 commitment by the savings and loan (or building and loan)
22 association, executed by the president or chief executive
23 officer of that association, is submitted in the following
24 form:

25 The Savings and Loan (or Building
26 and Loan) Association pledges not to reject arbitrarily

1 mortgage loans for residential properties within any
2 specific part of the community served by the savings and
3 loan (or building and loan) association because of the
4 location of the property. The savings and loan (or building
5 and loan) association also pledges to make loans available
6 on low and moderate income residential property throughout
7 the community within the limits of its legal restrictions
8 and prudent financial practices.

9 The State Treasurer may, with the approval of the Governor,
10 invest or reinvest, at a price not to exceed par, any State
11 money in the treasury that is not needed for current
12 expenditures due or about to become due, or any money in the
13 State Treasury that has been set aside and held for the payment
14 of the principal of and interest on any State bonds, in bonds
15 issued by counties or municipal corporations of the State of
16 Illinois.

17 The State Treasurer may, with the approval of the Governor,
18 invest or reinvest any State money in the Treasury which is not
19 needed for current expenditure, due or about to become due, or
20 any money in the State Treasury which has been set aside and
21 held for the payment of the principal of and the interest on
22 any State bonds, in participations in loans, the principal of
23 which participation is fully guaranteed by an agency or
24 instrumentality of the United States government; provided,
25 however, that such loan participations are represented by
26 certificates issued only by banks which are incorporated under

1 the laws of this State or any other state or under the laws of
2 the United States, and such banks, but not the loan
3 participation certificates, are insured by the Federal Deposit
4 Insurance Corporation.

5 Whenever the total amount of vouchers presented to the
6 Comptroller under Section 9 of the State Comptroller Act
7 exceeds the funds available in the General Revenue Fund by
8 \$1,000,000,000 or more, then the State Treasurer may invest any
9 State money in the Treasury, other than money in the General
10 Revenue Fund, Health Insurance Reserve Fund, Attorney General
11 Court Ordered and Voluntary Compliance Payment Projects Fund,
12 Attorney General Whistleblower Reward and Protection Fund, and
13 Attorney General's State Projects and Court Ordered
14 Distribution Fund, which is not needed for current
15 expenditures, due or about to become due, or any money in the
16 State Treasury which has been set aside and held for the
17 payment of the principal of and the interest on any State bonds
18 with the Office of the Comptroller in order to enable the
19 Comptroller to pay outstanding vouchers. At any time, and from
20 time to time outstanding, such investment shall not be greater
21 than \$2,000,000,000. Such investment shall be deposited into
22 the General Revenue Fund or Health Insurance Reserve Fund as
23 determined by the Comptroller. Such investment shall be repaid
24 by the Comptroller with an interest rate tied to the London
25 Interbank Offered Rate (LIBOR) or the Federal Funds Rate or an
26 equivalent market established variable rate, but in no case

1 shall such interest rate exceed the lesser of the penalty rate
2 established under the State Prompt Payment Act or the timely
3 pay interest rate under Section 368a of the Illinois Insurance
4 Code. The State Treasurer and the Comptroller shall enter into
5 an intergovernmental agreement to establish procedures for
6 such investments, which market established variable rate to
7 which the interest rate for the investments should be tied, and
8 other terms which the State Treasurer and Comptroller
9 reasonably believe to be mutually beneficial concerning these
10 investments by the State Treasurer. The State Treasurer and
11 Comptroller shall also enter into a written agreement for each
12 such investment that specifies the period of the investment,
13 the payment interval, the interest rate to be paid, the funds
14 in the Treasury from which the Treasurer will draw the
15 investment, and other terms upon which the State Treasurer and
16 Comptroller mutually agree. Such investment agreements shall
17 be public records and the State Treasurer shall post the terms
18 of all such investment agreements on the State Treasurer's
19 official website. In compliance with the intergovernmental
20 agreement, the Comptroller shall order and the State Treasurer
21 shall transfer amounts sufficient for the payment of principal
22 and interest invested by the State Treasurer with the Office of
23 the Comptroller under this paragraph from the General Revenue
24 Fund or the Health Insurance Reserve Fund to the respective
25 funds in the Treasury from which the State Treasurer drew the
26 investment. Public Act 100-1107 ~~This amendatory Act of the~~

1 ~~100th General Assembly~~ shall constitute an irrevocable and
2 continuing authority for all amounts necessary for the payment
3 of principal and interest on the investments made with the
4 Office of the Comptroller by the State Treasurer under this
5 paragraph, and the irrevocable and continuing authority for and
6 direction to the Comptroller and Treasurer to make the
7 necessary transfers.

8 The State Treasurer may, with the approval of the Governor,
9 invest or reinvest any State money in the Treasury that is not
10 needed for current expenditure, due or about to become due, or
11 any money in the State Treasury that has been set aside and
12 held for the payment of the principal of and the interest on
13 any State bonds, in any of the following:

14 (1) Bonds, notes, certificates of indebtedness,
15 Treasury bills, or other securities now or hereafter issued
16 that are guaranteed by the full faith and credit of the
17 United States of America as to principal and interest.

18 (2) Bonds, notes, debentures, or other similar
19 obligations of the United States of America, its agencies,
20 and instrumentalities.

21 (2.5) Bonds, notes, debentures, or other similar
22 obligations of a foreign government, other than the
23 Republic of the Sudan, that are guaranteed by the full
24 faith and credit of that government as to principal and
25 interest, but only if the foreign government has not
26 defaulted and has met its payment obligations in a timely

1 manner on all similar obligations for a period of at least
2 25 years immediately before the time of acquiring those
3 obligations.

4 (3) Interest-bearing savings accounts,
5 interest-bearing certificates of deposit, interest-bearing
6 time deposits, or any other investments constituting
7 direct obligations of any bank as defined by the Illinois
8 Banking Act.

9 (4) Interest-bearing accounts, certificates of
10 deposit, or any other investments constituting direct
11 obligations of any savings and loan associations
12 incorporated under the laws of this State or any other
13 state or under the laws of the United States.

14 (5) Dividend-bearing share accounts, share certificate
15 accounts, or class of share accounts of a credit union
16 chartered under the laws of this State or the laws of the
17 United States; provided, however, the principal office of
18 the credit union must be located within the State of
19 Illinois.

20 (6) Bankers' acceptances of banks whose senior
21 obligations are rated in the top 2 rating categories by 2
22 national rating agencies and maintain that rating during
23 the term of the investment.

24 (7) Short-term obligations of either corporations or
25 limited liability companies organized in the United States
26 with assets exceeding \$500,000,000 if (i) the obligations

1 are rated at the time of purchase at one of the 3 highest
2 classifications established by at least 2 standard rating
3 services and mature not later than 270 days from the date
4 of purchase, (ii) the purchases do not exceed 10% of the
5 corporation's or the limited liability company's
6 outstanding obligations, (iii) no more than one-third of
7 the public agency's funds are invested in short-term
8 obligations of either corporations or limited liability
9 companies, and (iv) the corporation or the limited
10 liability company has not been placed on the list of
11 restricted companies by the Illinois Investment Policy
12 Board under Section 1-110.16 of the Illinois Pension Code.

13 (7.5) Obligations of either corporations or limited
14 liability companies organized in the United States, that
15 have a significant presence in this State, with assets
16 exceeding \$500,000,000 if: (i) the obligations are rated at
17 the time of purchase at one of the 3 highest
18 classifications established by at least 2 standard rating
19 services and mature more than 270 days, but less than 5
20 years, from the date of purchase; (ii) the purchases do not
21 exceed 10% of the corporation's or the limited liability
22 company's outstanding obligations; (iii) no more than 5% of
23 the public agency's funds are invested in such obligations
24 of corporations or limited liability companies; and (iv)
25 the corporation or the limited liability company has not
26 been placed on the list of restricted companies by the

1 Illinois Investment Policy Board under Section 1-110.16 of
2 the Illinois Pension Code. The authorization of the
3 Treasurer to invest in new obligations under this paragraph
4 shall expire on June 30, 2019.

5 (8) Money market mutual funds registered under the
6 Investment Company Act of 1940, provided that the portfolio
7 of the money market mutual fund is limited to obligations
8 described in this Section and to agreements to repurchase
9 such obligations.

10 (9) The Public Treasurers' Investment Pool created
11 under Section 17 of the State Treasurer Act or in a fund
12 managed, operated, and administered by a bank.

13 (10) Repurchase agreements of government securities
14 having the meaning set out in the Government Securities Act
15 of 1986, as now or hereafter amended or succeeded, subject
16 to the provisions of that Act and the regulations issued
17 thereunder.

18 (11) Investments made in accordance with the
19 Technology Development Act.

20 (12) Investments made in accordance with the Student
21 Loan Investment Act.

22 For purposes of this Section, "agencies" of the United
23 States Government includes:

24 (i) the federal land banks, federal intermediate
25 credit banks, banks for cooperatives, federal farm credit
26 banks, or any other entity authorized to issue debt

1 obligations under the Farm Credit Act of 1971 (12 U.S.C.
2 2001 et seq.) and Acts amendatory thereto;

3 (ii) the federal home loan banks and the federal home
4 loan mortgage corporation;

5 (iii) the Commodity Credit Corporation; and

6 (iv) any other agency created by Act of Congress.

7 The Treasurer may, with the approval of the Governor, lend
8 any securities acquired under this Act. However, securities may
9 be lent under this Section only in accordance with Federal
10 Financial Institution Examination Council guidelines and only
11 if the securities are collateralized at a level sufficient to
12 assure the safety of the securities, taking into account market
13 value fluctuation. The securities may be collateralized by cash
14 or collateral acceptable under Sections 11 and 11.1.

15 (Source: P.A. 99-856, eff. 8-19-16; 100-1107, eff. 8-27-18;
16 revised 9-27-18.)

17 Section 905. The Student Loan Servicing Rights Act is
18 amended by changing Section 1-5 as follows:

19 (110 ILCS 992/1-5)

20 Sec. 1-5. Definitions. As used in this Act:

21 "Applicant" means a person applying for a license pursuant
22 to this Act.

23 "Borrower" or "student loan borrower" means a person who
24 has received or agreed to pay a student loan for his or her own

1 educational expenses.

2 "Cosigner" means a person who has agreed to share
3 responsibility for repaying a student loan with a borrower.

4 "Department" means the Department of Financial and
5 Professional Regulation.

6 "Division of Banking" means the Division of Banking of the
7 Department of Financial and Professional Regulation.

8 "Federal loan borrower eligible for referral to a repayment
9 specialist" means a borrower who possesses any of the following
10 characteristics:

11 (1) requests information related to options to reduce
12 or suspend his or her monthly payment;

13 (2) indicates that he or she is experiencing or
14 anticipates experiencing financial hardship, distress, or
15 difficulty making his or her payments;

16 (3) has missed 2 consecutive monthly payments;

17 (4) is at least 75 days delinquent;

18 (5) is enrolled in a discretionary forbearance for more
19 than 9 of the previous 12 months;

20 (6) has rehabilitated or consolidated one or more loans
21 out of default within the past 12 months; or

22 (7) has not completed a course of study, as reflected
23 in the servicer's records, or the borrower identifies
24 himself or herself as not having completed a program of
25 study.

26 "Federal education loan" means any loan made, guaranteed,

1 or insured under Title IV of the federal Higher Education Act
2 of 1965.

3 "Income-driven payment plan certification" means the
4 documentation related to a federal student loan borrower's
5 income or financial status the borrower must submit to renew an
6 income-driven repayment plan.

7 "Income-driven repayment options" includes the
8 Income-Contingent Repayment Plan, the Income-Based Repayment
9 Plan, the Income-Sensitive Repayment Plan, the Pay As You Earn
10 Plan, the Revised Pay As You Earn Plan, and any other federal
11 student loan repayment plan that is calculated based on a
12 borrower's income.

13 "Licensee" means a person licensed pursuant to this Act.

14 "Other repayment plans" means the Standard Repayment Plan,
15 the Graduated Repayment Plan, the Extended Repayment Plan, or
16 any other federal student loan repayment plan not based on a
17 borrower's income.

18 "Private loan borrower eligible for referral to a repayment
19 specialist" means a borrower who possesses any of the following
20 characteristics:

21 (1) requests information related to options to reduce
22 or suspend his or her monthly payments; or

23 (2) indicates that he or she is experiencing or
24 anticipates experiencing financial hardship, distress, or
25 difficulty making his or her payments.

26 "Requester" means any borrower or cosigner that submits a

1 request for assistance.

2 "Request for assistance" means all inquiries, complaints,
3 account disputes, and requests for documentation a servicer
4 receives from borrowers or cosigners.

5 "Secretary" means the Secretary of Financial and
6 Professional Regulation, or his or her designee, including the
7 Director of the Division of Banking of the Department of
8 Financial and Professional Regulation.

9 "Servicing" means: (1) receiving any scheduled periodic
10 payments from a student loan borrower or cosigner pursuant to
11 the terms of a student loan; (2) applying the payments of
12 principal and interest and such other payments with respect to
13 the amounts received from a student loan borrower or cosigner,
14 as may be required pursuant to the terms of a student loan; and
15 (3) performing other administrative services with respect to a
16 student loan.

17 "Student loan" or "loan" means any federal education loan
18 or other loan primarily for use to finance a postsecondary
19 education and costs of attendance at a postsecondary
20 institution, including, but not limited to, tuition, fees,
21 books and supplies, room and board, transportation, and
22 miscellaneous personal expenses. "Student loan" includes a
23 loan made to refinance a student loan.

24 "Student loan" shall not include an extension of credit
25 under an open-end consumer credit plan, a reverse mortgage
26 transaction, a residential mortgage transaction, or any other

1 loan that is secured by real property or a dwelling.

2 "Student loan" shall not include an extension of credit
3 made by a postsecondary educational institution to a borrower
4 if one of the following apply:

5 (1) The term of the extension of credit is no longer
6 than the borrower's education program.

7 (2) The remaining, unpaid principal balance of the
8 extension of credit is less than \$1,500 at the time of the
9 borrower's graduation or completion of the program.

10 (3) The borrower fails to graduate or successfully
11 complete his or her education program and has a balance due
12 at the time of his or her disenrollment from the
13 postsecondary institution.

14 "Student loan servicer" or "servicer" means any person
15 engaged in the business of servicing student loans.

16 "Student loan servicer" shall not include:

17 (1) a bank, savings bank, savings association, or
18 credit union organized under the laws of the State or any
19 other state or under the laws of the United States;

20 (2) a wholly owned subsidiary of any bank, savings
21 bank, savings association, or credit union organized under
22 the laws of the State or any other state or under the laws
23 of the United States;

24 (3) an operating subsidiary where each owner of the
25 operating subsidiary is wholly owned by the same bank,
26 savings bank, savings association, or credit union

1 organized under the laws of the State or any other state or
2 under the laws of the United States;

3 (4) the Illinois Student Assistance Commission and its
4 agents when the agents are acting on the Illinois Student
5 Assistance Commission's behalf;

6 (5) a public postsecondary educational institution or
7 a private nonprofit postsecondary educational institution
8 servicing a student loan it extended to the borrower;

9 (6) a licensed debt management service under the Debt
10 Management Service Act, except to the extent that the
11 organization acts as a subcontractor, affiliate, or
12 service provider for an entity that is otherwise subject to
13 licensure under this Act;

14 (7) any collection agency licensed under the
15 Collection Agency Act that is collecting post-default
16 debt;

17 (8) in connection with its responsibilities as a
18 guaranty agency engaged in default aversion, a State or
19 nonprofit private institution or organization having an
20 agreement with the U.S. Secretary of Education under
21 Section 428(b) of the Higher Education Act (20 U.S.C.
22 1078(B));

23 (9) a State institution or a nonprofit private
24 organization designated by a governmental entity to make or
25 service student loans, provided in each case that the
26 institution or organization services fewer than 20,000

1 student loan accounts of borrowers who reside in Illinois;

2 ~~or~~

3 (10) a law firm or licensed attorney that is collecting
4 post-default debt; or

5 (11) the State Treasurer and its agents when the agents
6 are acting on the State Treasurer's behalf.

7 (Source: P.A. 100-540, eff. 12-31-18; 100-635, eff. 12-31-18.)

8 Section 999. Effective date. This Act takes effect upon
9 becoming law.