



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5767

Introduced 02/24/06, by Rep. Richard P. Myers - Chapin Rose

SYNOPSIS AS INTRODUCED:

20 ILCS 3005/3.5 new
110 ILCS 947/140

Amends the Governor's Office of Management and Budget Act and the Higher Education Student Assistance Act. Provides that the Illinois Student Assistance Commission may not sell its loans or the attendant loan origination and servicing rights nor may any other State agency, including the Governor's Office of Management and Budget, or a State official sell the loans or the attendant loan origination and servicing rights. Provides that all student loans of the Commission and the attendant loan origination and servicing rights are inalienable and must remain as assets of the Commission. Effective immediately.

LRB094 15343 NHT 50534 b

FISCAL NOTE ACT
MAY APPLY

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 Governor's Office of Management and Budget
5 Act is amended by adding Section 3.5 as follows:

6 (20 ILCS 3005/3.5 new)

7 Sec. 3.5. Sale of ISAC loans prohibited. The Office may not
8 sell student loans of the Illinois Student Assistance
9 Commission or the attendant loan origination and servicing
10 rights.

11 Section 10. The Higher Education Student Assistance Act is
12 amended by changing Section 140 as follows:

13 (110 ILCS 947/140)

14 Sec. 140. Powers and duties. The Commission shall have the
15 following powers in furtherance of the programs authorized by
16 this Act:

17 (a) To adopt rules and regulations governing the purchasing
18 ~~and~~ servicing, ~~and selling~~ of eligible loans and any other
19 matters relating to the activities of the guaranteed loan
20 programs.

21 (b) To perform such other acts as may be necessary or
22 appropriate in connection with the making, purchasing, and
23 servicing, ~~and selling~~ of eligible loans.

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

25 (d) To make, purchase, service, ~~sell~~, or otherwise deal in,
26 at prices and on terms and conditions determined by the
27 Commission, eligible loans, including loans guaranteed by the
28 Commission. The Commission, however, may not sell its loans or
29 the attendant loan origination and servicing rights nor may any
30 other State agency or a State official sell the loans or the

1 attendant loan origination and servicing rights. All student
2 loans of the Commission and the attendant loan origination and
3 servicing rights are inalienable and must remain as assets of
4 the Commission.

5 (e) To issue bonds to make or acquire eligible loans or to
6 refund the bonds of the Commission and to provide for the
7 security and payment of those bonds and for the rights of the
8 holders thereof.

9 (f) To retain in accounts designated in the resolution or
10 resolutions authorizing the bonds of the Commission and to
11 disburse therefrom all proceeds from the sale of the bonds of
12 the Commission issued pursuant to this Act, all eligible loans
13 receipts received by the Commission, and all earnings received
14 by the Commission from any authorized investment.

15 (g) To hire and retain such attorneys, accountants,
16 financial advisors, and other employees as may be required by
17 the Commission, to determine their qualifications, to define
18 their duties, to fix their compensation, and to pay that
19 compensation from the proceeds from the sale of the bonds of
20 the Commission issued pursuant to this Act and from the
21 earnings received by the Commission from any authorized
22 investment as provided in the resolution or resolutions
23 authorizing the bonds, all notwithstanding any other
24 provisions of this Act or any other law.

25 (h) To enter into contracts, to execute instruments, to
26 invest and to accumulate assets, to incur liabilities, and to
27 do all things necessary or incidental to the proper management
28 of such affairs and the proper conduct of such business as are
29 authorized under this Act.

30 (Source: P.A. 87-997.)

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