

AN ACT concerning education.

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

Section 5. The Student Investment Account Act is amended by changing Sections 5, 10, 25, 30, 35, 40, 45, and 65 as follows:

(110 ILCS 991/5)

Sec. 5. Findings and purpose. The General Assembly finds that it is vital for the State to combat the college-debt crisis and increase access to post-secondary education for all residents of this State. The purpose of this Act is to assist qualified residents to attend and pay for post-secondary education through a system of investment programs, which may include ~~income sharing agreements,~~ linked deposits, ~~and~~ student loans, and refinance loans.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/10)

Sec. 10. Definitions. As used in this Act:

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

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

~~"Income share agreement" means an agreement between a participant and an eligible institution of higher education or an income share agreement provider approved by the State Treasurer in which the participant agrees to pay a percentage of the participant's future earnings for a fixed period in exchange for funds to pay for their post secondary education.~~

~~"Income share agreement provider" means an organization that allows income share agreement participants to fund their education by means of an income share agreement.~~

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

~~"Participant" means a resident student who enters into an income share agreement for the purpose of funding the participant's attendance at an institution of higher education.~~

"Refinance loan" means a loan made to an Illinois resident in accordance with this Act to refinance an existing loan used to finance post-secondary education.

"Student Investment Account" means that portion of the Treasurer's State Investment Portfolio described in Section 15.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/25)

Sec. 25. Operation of the Student Investment Account. The State Treasurer may: originate, guarantee, acquire, and service education loans or refinance loans; facilitate such arrangements between borrowers and eligible lenders; and perform such other acts as may be necessary or desirable in connection with the education loans or refinance loans. The State Treasurer may receive, hold, and invest moneys paid into the Student Investment Account and take such other actions as are necessary to operate the Student Investment Account. The State Treasurer may invest in, and enter into contracts with, institutions that provide education loans or refinance loans. ~~The State Treasurer may also: enter into income share agreements with participants; facilitate such arrangements between participants and eligible income share agreement providers; and perform such other acts as may be necessary or desirable in connection with such income share agreements.~~ The State Treasurer may also deposit funds with financial institutions that provide education loans or refinance loans.
(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/30)

Sec. 30. Administration of the Student Investment Account. The State Treasurer may enter into such contracts and guarantee agreements as are necessary to operate the Student

Investment Account with eligible lenders, financial institutions, institutions of higher education, ~~income share agreement providers~~, individuals, corporations, and ~~qualified income share agreement~~ or loan origination and servicing organizations and with any governmental entity, including the Illinois Student Assistance Commission, and with any agency or instrumentality of the United States. The State Treasurer is authorized to establish specific criteria governing the eligibility of entities to participate in its programs, the making of ~~income share agreements or~~ education loans or refinance loans, provisions for default, the establishment of default reserve funds, the purchase of default insurance, the provision of prudent debt service reserves, and the furnishing by participating entities of such additional guarantees of the ~~income share agreements or~~ education loans or refinance loans as the State Treasurer shall determine.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/35)

Sec. 35. Fees. The State Treasurer may ~~shall~~ establish fees to cover the costs of administration, recordkeeping, marketing, and investment management related to the Student Investment Account. The State Treasurer may pay eligible lenders, ~~income share agreement providers~~, financial institutions, institutions of higher education, individuals, corporations, ~~qualified income share agreement or~~ loan

origination and servicing organizations, governmental entities, and any agencies or instrumentalities of the United States an administrative fee in connection with services provided pursuant to the Student Investment Account in such amounts, at such times, and in such manner as may be prescribed by the State Treasurer.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/40)

Sec. 40. Insurance. The State Treasurer or his or her designee may charge and collect premiums for insurance on ~~income share agreements or~~ education loans or refinance loans and other related charges and pay such insurance premiums or a portion thereof and other charges as are prudent.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/45)

Sec. 45. Wage deductions. The State Treasurer may 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 State Treasurer, for the recovery of an education loan or refinance loan debt ~~or income share agreement~~ owned or

serviced by the State Treasurer. Levy must not be made until the State Treasurer has caused a demand to be made on the employee, in a manner consistent with rules adopted by the State Treasurer, such that the employee is provided an opportunity to contest the existence or amount of the ~~income share agreement~~ or education loan or refinance loan obligation.

(Source: P.A. 101-586, eff. 8-26-19.)

(110 ILCS 991/65)

Sec. 65. Student Investment Account Assistance Fund. The Student Investment Account Assistance Fund may be created as a non-appropriated separate and apart trust fund in the State Treasury. Moneys in the Student Investment Account Assistance Fund may be used by the State Treasurer to provide assistance to qualifying borrowers ~~or income share agreement participants~~. The State Treasurer may deposit a portion of the earnings of the investments in the Student Investment Account and a portion of any administrative fees, and the proceeds thereof, collected pursuant to Section 35 into the Student Investment Account Assistance Fund.

(Source: P.A. 101-586, eff. 8-26-19.)

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

Public Act 104-0180

HB1430 Enrolled

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Statutes amended in order of appearance

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