

HOUSE BILL NO. 293  
INTRODUCED BY MCCARTHY  
BY REQUEST OF THE COMMISSIONER  
OF HIGHER EDUCATION

IN THE HOUSE

|                   |  |
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| JANUARY 21, 1993  | INTRODUCED AND REFERRED TO COMMITTEE<br>ON EDUCATION & CULTURAL RESOURCES. |
|                   | FIRST READING.   |
| FEBRUARY 9, 1993  | COMMITTEE RECOMMEND BILL<br>DO PASS. REPORT ADOPTED.                       |
| FEBRUARY 10, 1993 | PRINTING REPORT.   |
| FEBRUARY 11, 1993 | SECOND READING, DO PASS.   |
| FEBRUARY 12, 1993 | ENGROSSING REPORT.   |
| FEBRUARY 13, 1993 | THIRD READING, PASSED.<br>AYES, 96; NOES, 2.                               |
| FEBRUARY 15, 1993 | TRANSMITTED TO SENATE.   |

IN THE SENATE

|                   |  |
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| FEBRUARY 16, 1993 | INTRODUCED AND REFERRED TO COMMITTEE<br>ON EDUCATION & CULTURAL RESOURCES. |
|                   | FIRST READING.   |
| MARCH 8, 1993     | COMMITTEE RECOMMEND BILL BE<br>CONCURRED IN. REPORT ADOPTED.               |
| MARCH 9, 1993     | SECOND READING, CONCURRED IN.  |
| MARCH 10, 1993    | THIRD READING, CONCURRED IN.<br>AYES, 46; NOES, 0.                         |
|                   | RETURNED TO HOUSE.   |

IN THE HOUSE

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|----------------|------------------------------|
| MARCH 16, 1993 | RECEIVED FROM SENATE.        |
|                | SENT TO ENROLLING.           |
|                | REPORTED CORRECTLY ENROLLED. |

1 House BILL NO. 293  
 2 INTRODUCED BY Don Nickles  
 3 BY REQUEST OF THE COMMISSIONER  
 4 OF HIGHER EDUCATION  
 5

6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE  
 7 REQUIREMENT THAT THE BOARD OF REGENTS CONTRACT ONLY WITH A  
 8 NONPROFIT CORPORATION TO ADMINISTER THE LOANS GRANTED UNDER  
 9 THE GUARANTEED STUDENT LOAN PROGRAM; AND AMENDING SECTIONS  
 10 20-26-1101, 20-26-1103, AND 20-26-1104, MCA."  
 11

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 20-26-1101, MCA, is amended to read:

14 "20-26-1101. Definitions. As used in this part, unless  
 15 the context clearly indicates otherwise, the following  
 16 definitions apply:

17 (1) "Board" means the board of regents of higher  
 18 education.

19 (2) "Corporation" means the corporation designated by  
 20 the board to administer student loans.

21 (3) "Council" means the guaranteed student loan  
 22 advisory council established in 2-15-1520.

23 (4) "Eligible educational institution" means any  
 24 institution approved by the United States commissioner of  
 25 education as eligible to participate in the guaranteed

1 student loan program pursuant to Title IV of the Higher  
 2 Education Act of 1965, as amended.

3 (4)(5) "Guaranteed student loan program" means the  
 4 program established by the board pursuant to this part.

5 (5) ~~"Nonprofit corporation" means the private nonprofit~~  
 6 ~~corporation designated by the board to administer student~~  
 7 ~~loans."~~

8 **Section 2.** Section 20-26-1103, MCA, is amended to read:

9 "20-26-1103. Duties of the board. In discharging its  
 10 duties in relation to the guaranteed student loan program,  
 11 the board shall:

12 (1) act as guarantor on loans of money, upon such terms  
 13 and conditions as the board may prescribe, to assist persons  
 14 attending or accepted for enrollment at an eligible  
 15 educational institution to meet their educational expenses;

16 (2) approve financial or credit institutions, insurance  
 17 companies, or other lenders as eligible lenders upon their  
 18 meeting the standards established by the board for making  
 19 guaranteed student loans;

20 (3) incur and discharge debts, including defaulted loan  
 21 obligations that have been guaranteed by the board;

22 (4) make and execute agreements, contracts, and other  
 23 instruments with any public or private person or agency,  
 24 including the United States commissioner of education, for  
 25 the administration of the guaranteed student loan program;

1       (5) contract with a nonprofit corporation for the  
2 operation of the guaranteed student loan program to provide  
3 loan approval processing, essential and special loan  
4 servicing, preclaims assistance, claim processing and  
5 collections, and other services that would promote lender  
6 participation and loan availability to students;

7       (6) perform any other duties necessary for the  
8 administration of the guaranteed student loan program."

9       **Section 3.** Section 20-26-1104, MCA, is amended to read:

10       "20-26-1104. Student loan advisory council -- duties.

11       The council shall:

12       (1) advise the board on policies, rules, and procedures  
13 necessary for accomplishing the provisions of this part;

14       (2) make recommendations to the board concerning the  
15 designation of a nonprofit corporation;

16       (3) monitor the nonprofit corporation to assure that  
17 both the students and lenders are adequately served; and

18       (4) advise on the adequacy and proper execution of any  
19 contracts entered into between the board and the nonprofit  
20 corporation."

-End-

APPROVED BY COMM. ON EDUCATION  
AND CULTURAL RESOURCES

1 House BILL NO. 293  
2 INTRODUCED BY Don McCarley  
3 BY REQUEST OF THE COMMISSIONER  
4 OF HIGHER EDUCATION

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE  
7 REQUIREMENT THAT THE BOARD OF REGENTS CONTRACT ONLY WITH A  
8 NONPROFIT CORPORATION TO ADMINISTER THE LOANS GRANTED UNDER  
9 THE GUARANTEED STUDENT LOAN PROGRAM; AND AMENDING SECTIONS  
10 20-26-1101, 20-26-1103, AND 20-26-1104, MCA."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 20-26-1101, MCA, is amended to read:

14 "20-26-1101. Definitions. As used in this part, unless  
15 the context clearly indicates otherwise, the following  
16 definitions apply:

17 (1) "Board" means the board of regents of higher  
18 education.

19 (2) "Corporation" means the corporation designated by  
20 the board to administer student loans.

21 (3) "Council" means the guaranteed student loan  
22 advisory council established in 2-15-1520.

23 (4) "Eligible educational institution" means any  
24 institution approved by the United States commissioner of  
25 education as eligible to participate in the guaranteed

1 student loan program pursuant to Title IV of the Higher  
2 Education Act of 1965, as amended.

3 (4)(5) "Guaranteed student loan program" means the  
4 program established by the board pursuant to this part.

5 (5) "Nonprofit corporation" means the private nonprofit  
6 corporation designated by the board to administer student  
7 loans."

8 **Section 2.** Section 20-26-1103, MCA, is amended to read:

9 "20-26-1103. Duties of the board. In discharging its  
10 duties in relation to the guaranteed student loan program,  
11 the board shall:

12 (1) act as guarantor on loans of money, upon such terms  
13 and conditions as the board may prescribe, to assist persons  
14 attending or accepted for enrollment at an eligible  
15 educational institution to meet their educational expenses;

16 (2) approve financial or credit institutions, insurance  
17 companies, or other lenders as eligible lenders upon their  
18 meeting the standards established by the board for making  
19 guaranteed student loans;

20 (3) incur and discharge debts, including defaulted loan  
21 obligations that have been guaranteed by the board;

22 (4) make and execute agreements, contracts, and other  
23 instruments with any public or private person or agency,  
24 including the United States commissioner of education, for  
25 the administration of the guaranteed student loan program;

1 (5) contract with a nonprofit corporation for the  
2 operation of the guaranteed student loan program to provide  
3 loan approval processing, essential and special loan  
4 servicing, preclaims assistance, claim processing and  
5 collections, and other services that would promote lender  
6 participation and loan availability to students;

7 (6) perform any other duties necessary for the  
8 administration of the guaranteed student loan program."

9 **Section 3.** Section 20-26-1104, MCA, is amended to read:

10 "20-26-1104. Student loan advisory council -- duties.  
11 The council shall:

12 (1) advise the board on policies, rules, and procedures  
13 necessary for accomplishing the provisions of this part;

14 (2) make recommendations to the board concerning the  
15 designation of a nonprofit corporation;

16 (3) monitor the nonprofit corporation to assure that  
17 both the students and lenders are adequately served; and

18 (4) advise on the adequacy and proper execution of any  
19 contracts entered into between the board and the nonprofit  
20 corporation."

-End-

1 House BILL NO. 293  
 2 INTRODUCED BY Brian McCarthy  
 3 BY REQUEST OF THE COMMISSIONER  
 4 OF HIGHER EDUCATION

5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE  
 7 REQUIREMENT THAT THE BOARD OF REGENTS CONTRACT ONLY WITH A  
 8 NONPROFIT CORPORATION TO ADMINISTER THE LOANS GRANTED UNDER  
 9 THE GUARANTEED STUDENT LOAN PROGRAM; AND AMENDING SECTIONS  
 10 20-26-1101, 20-26-1103, AND 20-26-1104, MCA."

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 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 20-26-1101, MCA, is amended to read:

14 "20-26-1101. Definitions. As used in this part, unless  
 15 the context clearly indicates otherwise, the following  
 16 definitions apply:

17 (1) "Board" means the board of regents of higher  
 18 education.

19 (2) "Corporation" means the corporation designated by  
 20 the board to administer student loans.

21 (3) "Council" means the guaranteed student loan  
 22 advisory council established in 2-15-1520.

23 (4) "Eligible educational institution" means any  
 24 institution approved by the United States commissioner of  
 25 education as eligible to participate in the guaranteed

1 student loan program pursuant to Title IV of the Higher  
 2 Education Act of 1965, as amended.

3 (4)(5) "Guaranteed student loan program" means the  
 4 program established by the board pursuant to this part.

5 (5) "Nonprofit corporation" means the private nonprofit  
 6 corporation designated by the board to administer student  
 7 loans."

8 **Section 2.** Section 20-26-1103, MCA, is amended to read:

9 "20-26-1103. Duties of the board. In discharging its  
 10 duties in relation to the guaranteed student loan program,  
 11 the board shall:

12 (1) act as guarantor on loans of money, upon such terms  
 13 and conditions as the board may prescribe, to assist persons  
 14 attending or accepted for enrollment at an eligible  
 15 educational institution to meet their educational expenses;

16 (2) approve financial or credit institutions, insurance  
 17 companies, or other lenders as eligible lenders upon their  
 18 meeting the standards established by the board for making  
 19 guaranteed student loans;

20 (3) incur and discharge debts, including defaulted loan  
 21 obligations that have been guaranteed by the board;

22 (4) make and execute agreements, contracts, and other  
 23 instruments with any public or private person or agency,  
 24 including the United States commissioner of education, for  
 25 the administration of the guaranteed student loan program;

1       (5) contract with a nonprofit corporation for the  
2 operation of the guaranteed student loan program to provide  
3 loan approval processing, essential and special loan  
4 servicing, preclaims assistance, claim processing and  
5 collections, and other services that would promote lender  
6 participation and loan availability to students;

7       (6) perform any other duties necessary for the  
8 administration of the guaranteed student loan program."

9       **Section 3.** Section 20-26-1104, MCA, is amended to read:

10       "20-26-1104. Student loan advisory council -- duties.

11       The council shall:

12       (1) advise the board on policies, rules, and procedures  
13 necessary for accomplishing the provisions of this part;

14       (2) make recommendations to the board concerning the  
15 designation of a nonprofit corporation;

16       (3) monitor the nonprofit corporation to assure that  
17 both the students and lenders are adequately served; and

18       (4) advise on the adequacy and proper execution of any  
19 contracts entered into between the board and the nonprofit  
20 corporation."

-End-

## HOUSE BILL NO. 293

INTRODUCED BY MCCARTHY

BY REQUEST OF THE COMMISSIONER

OF HIGHER EDUCATION

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE BOARD OF REGENTS CONTRACT ONLY WITH A NONPROFIT CORPORATION TO ADMINISTER THE LOANS GRANTED UNDER THE GUARANTEED STUDENT LOAN PROGRAM; AND AMENDING SECTIONS 20-26-1101, 20-26-1103, AND 20-26-1104, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 20-26-1101, MCA, is amended to read:

"20-26-1101. Definitions. As used in this part, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Board" means the board of regents of higher education.

(2) "Corporation" means the corporation designated by the board to administer student loans.

(3) "Council" means the guaranteed student loan advisory council established in 2-15-1520.

(4) "Eligible educational institution" means any institution approved by the United States commissioner of education as eligible to participate in the guaranteed

student loan program pursuant to Title IV of the Higher Education Act of 1965, as amended.

(5) "Guaranteed student loan program" means the program established by the board pursuant to this part.

~~(5) "Nonprofit corporation" means the private nonprofit corporation designated by the board to administer student loans."~~

**Section 2.** Section 20-26-1103, MCA, is amended to read:

"20-26-1103. Duties of the board. In discharging its duties in relation to the guaranteed student loan program, the board shall:

(1) act as guarantor on loans of money, upon such terms and conditions as the board may prescribe, to assist persons attending or accepted for enrollment at an eligible educational institution to meet their educational expenses;

(2) approve financial or credit institutions, insurance companies, or other lenders as eligible lenders upon their meeting the standards established by the board for making guaranteed student loans;

(3) incur and discharge debts, including defaulted loan obligations that have been guaranteed by the board;

(4) make and execute agreements, contracts, and other instruments with any public or private person or agency, including the United States commissioner of education, for the administration of the guaranteed student loan program;



1       (5) contract with a ~~nonprofit~~ corporation for the  
2 operation of the guaranteed student loan program to provide  
3 loan approval processing, essential and special loan  
4 servicing, preclaims assistance, claim processing and  
5 collections, and other services that would promote lender  
6 participation and loan availability to students;

7       (6) perform any other duties necessary for the  
8 administration of the guaranteed student loan program."

9       **Section 3.** Section 20-26-1104, MCA, is amended to read:

10       **"20-26-1104. Student loan advisory council -- duties.**

11       The council shall:

12       (1) advise the board on policies, rules, and procedures  
13 necessary for accomplishing the provisions of this part;

14       (2) make recommendations to the board concerning the  
15 designation of a ~~nonprofit~~ corporation;

16       (3) monitor the ~~nonprofit~~ corporation to assure that  
17 both the students and lenders are adequately served; and

18       (4) advise on the adequacy and proper execution of any  
19 contracts entered into between the board and the ~~nonprofit~~  
20 corporation."

-End-