

SENATE BILL NO. 2139

Introduced by

Education Committee

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact section 15-62.1-02 of the North Dakota Century Code,
2 relating to the powers and duties of the Bank of North Dakota in its administration of the state
3 guarantee loan programs; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 15-62.1-02 of the 1997 Supplement to the North
6 Dakota Century Code is amended and reenacted as follows:

7 **15-62.1-02. Powers and duties of the agency.** The agency has the following powers
8 and duties under this chapter:

- 9 1. To guarantee all loans which satisfy the requirements set forth in title IV, part B, of
10 the Higher Education Act of 1965 [20 U.S.C. 1001 et seq.; Pub. L. 89-329; 79 Stat.
11 1236; Pub. L. 99-498; 100 Stat. 1353; Pub. L. 105-244; 112 Stat. 1581], as
12 amended through December 31, ~~1996~~ 1998, upon terms, conditions, and
13 application procedures commensurate with the federal Higher Education Act of
14 1965 [20 U.S.C. 1001 et seq.; Pub. L. 89-329; 79 Stat. 1236; Pub. L. 99-498; 100
15 Stat. 1353; Pub. L. 105-244; 112 Stat. 1581], as amended through December 31,
16 ~~1996~~ 1998, if federal coinsurance of student loans guaranteed by the agency is
17 available. If at any time the agency determines that student loans made under the
18 terms and conditions of federal coinsurance programs are no longer adequately
19 serving the needs of North Dakota students attending postsecondary institutions,
20 or if federal coinsurance is no longer available, the agency shall notify the industrial
21 commission or its designee. Upon approval of the industrial commission or its
22 designee, the agency shall guarantee student loans without federal coinsurance
23 pursuant to rules made by the agency relating to terms for applicant eligibility in
24 accordance with the provisions of this chapter. ~~If loans are guaranteed without~~

1 ~~federal coinsurance, the agency may not adopt eligibility requirements or loan~~
2 ~~limits for student loans to qualify for guarantee by the agency which are more~~
3 ~~restrictive than those eligibility requirements or loan limits existent as of the date~~
4 ~~the industrial commission approves the guarantee of loans without federal~~
5 ~~coinsurance or the date of the termination of programs providing for federal~~
6 ~~coinsurance of loans guaranteed by the agency.~~ Students whose loans are
7 guaranteed by the agency must be students who have been accepted for
8 enrollment or are attending eligible postsecondary institutions located within or
9 without this state, and whose loans are for the purpose of assisting them in
10 meeting their expenses of postsecondary education. Students who are accepted
11 for enrollment or are attending eligible proprietary or postsecondary institutions of
12 higher education on at least a half-time basis, as determined by the institutions, are
13 eligible to have loans guaranteed by the agency. The agency shall, by rule,
14 establish minimum qualifications for a person to be deemed a part-time student for
15 purposes of this chapter.

16 2. To take, hold, expend, and administer, on behalf of the state from any source any
17 real property, personal property and moneys, or any interest therein, and the
18 income therefrom, either absolutely or in trust, for any purpose of the guarantee
19 loan program; provided, that no guarantee obligation of the agency may be a
20 general obligation of the state of North Dakota, nor may be payable out of any
21 moneys except those made available to the agency under this chapter. Nothing in
22 this chapter may be construed to authorize the agency to borrow funds for any use
23 relating to the administration of the state guarantee loan programs.

24 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.