

MAINE STATE LEGISLATURE

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STATE OF MAINE
SENATE
103rd LEGISLATURE

COMMITTEE AMENDMENT "A" to S. P. 618, L. D. 1616, Resolve,
Proposing an Amendment to the Constitution Pledging Credit of
the State and Providing for the Issuance of Bonds Not Exceeding
One Million Dollars for Loans for Maine Students in Higher Education.

Amend said Resolve by adding at the end, the following:

'Statement of Facts

This constitutional amendment, if passed and ratified by the voters, will permit the next Legislature to pass enabling legislation setting up a revolving student loan fund. It is anticipated that such legislation would permit the pledging of the credit of the State to an amount not to exceed a million dollars. This would release between 10 and 12 million dollars on a revolving basis so that any Maine youngster going to any higher educational facility, be it vocational school, junior college or university, would be able to borrow money as needed through his local bank and have much of the interest paid for by the Federal Government and the principal guaranteed by the State.

National experience has indicated a top rate of repayment of this type loan. The state's financial responsibility would be only for those loans in default each biennium. It is not expected that any bonds will ever be issued.'

Reported by the Committee on EDUCATION.

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