

# MAINE STATE LEGISLATURE

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EDUCATION AND CULTURAL AFFAIRS

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STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 131, L.D. 351, Bill, "An Act To Authorize the Provision of Insurance on Student Loans"

Amend the bill in section 5 in §11460 in subsection 5 in the last line (page 2, line 27 in L.D.) by striking out the following: "and"

Amend the bill in section 5 in §11460 in subsection 6 in the last 2 lines (page 2, lines 31 and 32 in L.D.) by striking out the following: "loan; and;" and inserting the following: 'loan; and'

Amend the bill in section 5 in §11460 by striking out all of subsection 7 (page 2, lines 33 to 36 in L.D.) and inserting the following:

'7. Minimum academic progress. Is ~~maintaining a grade point average of at least 2.0 on a scale of 4.0, or the equivalent as determined by the authority, provided, however, that the authority may waive the minimum grade point average in the case of a student demonstrating special circumstances and a substantial likelihood of improvement~~ making satisfactory academic progress in accordance with the standards of that institution of higher education.'

Amend the bill in section 7 in §11463 by inserting at the end the following:

'4. Financial education. Prior to obtaining a loan insured by the authority, an applicant must satisfy financial education requirements established or approved by the authority.'

SUMMARY

This amendment makes the following changes to the bill:

- 1. It requires students receiving loans from or loans insured by the Finance Authority of Maine under the Higher Education Loan and Loan Insurance Program to make satisfactory academic progress in accordance with the standards of the students' institution of higher learning; and

COMMITTEE AMENDMENT





# 126th MAINE LEGISLATURE

LD 351

LR 396(02)

**An Act To Authorize the Provision of Insurance on Student Loans**

**Fiscal Note for Bill as Amended by Committee Amendment 'A'(S-8)**

**Committee: Education and Cultural Affairs**

**Fiscal Note Required: Yes**

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## Fiscal Note

Potential liability increase - Other Funds

### Fiscal Detail and Notes

Authorizing the Finance Authority of Maine to provide loan insurance on supplemental student loans increases its exposure to default risk.