

# MAINE STATE LEGISLATURE

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# 118th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1997

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Legislative Document

No. 1203

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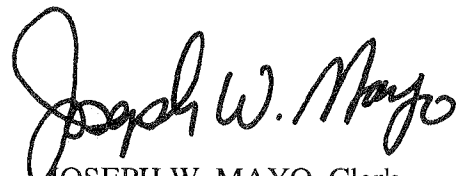
H.P. 886

House of Representatives, February 25, 1997

### **An Act Regarding Student Financial Aid Programs.**

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Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative KONTOS of Windham.

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Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRS §11417, sub-§5 is enacted to read:

5. Disclosure and informed consent. In every case when an authority loan is made or consolidated, the authority is required to disclose the interest rate charge and any applicable service fees to the student borrower before executing the loan. The authority shall furnish a clear, written notice of all such charges and must secure the borrower's signature in advance as evidence of the borrower's informed consent. Informed consent notices must indicate that the borrower has read and understands the terms and conditions of the educational loan.

### SUMMARY

This bill requires the Maine Educational Loan Authority to disclose the interest rate charges of all authority loans executed with postsecondary education students and to obtain the informed consent of student borrowers prior to making or consolidating an educational loan.