

CHAPTER 417-C

HIGHER EDUCATION LOAN AND LOAN INSURANCE PROGRAM

§11458. Program established

There is established the Higher Education Loan and Loan Insurance Program, administered by the Finance Authority of Maine, to carry out the purposes of this chapter. [PL 2013, c. 34, §4 (AMD).]

SECTION HISTORY

PL 1991, c. 824, §A35 (NEW). PL 2013, c. 34, §4 (AMD).

§11459. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1991, c. 824, Pt. A, §35 (NEW).]

1. Authority. "Authority" means the Finance Authority of Maine.
[PL 1991, c. 824, Pt. A, §35 (NEW).]

1-A. Consolidation loan. "Consolidation loan" means a loan under this chapter to or for the benefit of an individual made for the purpose of refinancing education loans that, when made, were made to or for the benefit of a student then enrolled in an eligible program of study at an institution of higher education that meets the other requirements of this chapter.
[PL 2015, c. 103, §1 (NEW).]

1-B. Education loan. "Education loan" means a loan made by the Federal Government under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Title IV, Part B, as amended, or a loan made by a regulated financial institution for the express purpose of financing the costs of higher education under a program designed solely for such purposes.
[PL 2015, c. 103, §1 (NEW).]

2. Eligible program of study. "Eligible program of study" means a certificate program of at least one year, an associate degree program, a baccalaureate degree program or a graduate degree program.
[PL 1991, c. 824, Pt. A, §35 (NEW).]

3. Institution of higher education. "Institution of higher education" means an accredited institution of higher education located within the United States.
[PL 1991, c. 824, Pt. A, §35 (NEW).]

3-A. Student loan. "Student loan" means a loan under this chapter to or for the benefit of a student enrolled or to be enrolled in an eligible program of study at an institution of higher education that meets the other requirements of this chapter.
[PL 2015, c. 103, §1 (NEW).]

4. Unmet need. "Unmet need" means the difference between the total cost of attendance for an academic year at an institution of higher education and the total of all sources of financial assistance, including loans, grants, work-study programs and all other available sources, as determined by the authority by rules adopted in accordance with Title 5, chapter 375.
[PL 1991, c. 824, Pt. A, §35 (NEW).]

SECTION HISTORY

PL 1991, c. 824, §A35 (NEW). PL 2015, c. 103, §1 (AMD).

§11460. Eligibility

Loans made or insured under this chapter must be either student loans or consolidation loans. Loans made or insured under this chapter are available only to or for the benefit of a resident of the State or an individual attending an institution of higher education in the State who: [PL 2015, c. 103, §2 (AMD).]

1. Graduated. For a student loan, has graduated from an approved secondary school, matriculated at a postsecondary school prior to high school graduation or successfully completed a high school equivalency diploma or its equivalent; [PL 2015, c. 103, §2 (AMD).]

2. Accepted. For a student loan, has been accepted for enrollment as an undergraduate or graduate student or is in good standing as an undergraduate or graduate student at an institution of higher education in an eligible program of study; [PL 2015, c. 103, §2 (AMD).]

3. Application. Has applied for a loan under the program and has provided or caused to be provided all information determined necessary by the authority in order to determine eligibility; [PL 2013, c. 34, §5 (AMD).]

4. Unmet need. For a student loan, has been determined by the authority to have an unmet need for financial assistance that, if not met, will prevent the student from attending the institution of higher education of that student's choice; [PL 2015, c. 103, §2 (AMD).]

5. Residency. Meets the state residency or, for a student loan, school attendance requirements that may be established by the authority by rule; [PL 2015, c. 103, §2 (AMD).]

6. Loan repayment. Has been determined by the authority to have a reasonable prospect of being able to repay the loan. In appropriate cases, the authority may allow repayments to be deferred and subordinated to repayment of other student loans for such period of time as may be necessary for the borrower to be able to afford to repay the loan; and [PL 1991, c. 824, Pt. A, §35 (NEW).]

7. Minimum academic progress. For a student loan, is making satisfactory academic progress in accordance with the standards of that institution of higher education. [PL 2015, c. 103, §2 (AMD).]

SECTION HISTORY

PL 1991, c. 824, §A35 (NEW). PL 2013, c. 34, §5 (AMD). PL 2015, c. 103, §2 (AMD).

§11461. Higher Education Loan and Loan Insurance Program Fund

1. Establishment. The Higher Education Loan and Loan Insurance Program Fund is established to be used by the authority as a nonlapsing, revolving fund for carrying out this chapter. In its discretion, the authority may combine this fund with other funds of the authority for accounting purposes and may establish separate accounts for loans and for a reserve for loan default payments. Money in the fund currently not needed to meet the obligations of the authority as lender or insurer is deposited with the authority to the credit of the fund or may be invested as provided by law. [PL 2013, c. 34, §6 (AMD).]

2. Charges and credits. All amounts received or allocated by the authority for deposit to the fund pursuant to this chapter or otherwise must be deposited in the fund. All expenses of the authority in carrying out this chapter, including interest, principal and fee payments required by loan defaults, must be charged to the fund. The authority's liability for those expenses is limited to the fund. [PL 2013, c. 34, §6 (AMD).]

SECTION HISTORY

PL 1991, c. 824, §A35 (NEW). PL 2013, c. 34, §6 (AMD).

§11462. Loans to minors

Notwithstanding any other law, if the borrower on a loan made or insured under this program is a minor, an otherwise valid note or other written agreement executed by the borrower for the purpose of the loan creates a binding obligation. [PL 1991, c. 824, Pt. A, §35 (NEW).]

SECTION HISTORY

PL 1991, c. 824, §A35 (NEW).

§11463. Insure student loan payments

The authority may make commitments and agreements to insure student loan payments. [PL 2013, c. 34, §7 (NEW).]

1. Loan serviced. A loan insured by the authority must be serviced as required by the authority. [PL 2013, c. 34, §7 (NEW).]

2. Compliance. A loan insured by the authority must be in compliance with the student loan insurance credit policy of the authority. [PL 2013, c. 34, §7 (NEW).]

3. Other terms. A loan insured by the authority may be subject to terms other than those specified in subsections 1 and 2 as may be required by law or by rule of the authority. [PL 2013, c. 34, §7 (NEW).]

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. [PL 2013, c. 34, §7 (NEW).]

SECTION HISTORY

PL 2013, c. 34, §7 (NEW).

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