

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND FIFTEEN

H.P. 597 - L.D. 878

An Act To Support College Affordability in Maine

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

Sec. 1. 20-A MRSA §11459, sub-§§1-A, 1-B and 3-A are enacted to read:

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.

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.

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.

Sec. 2. 20-A MRSA §11460, as amended by PL 2013, c. 34, §5, is further amended to read:

§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:

1. Graduated. ~~Has~~ 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;

2. Accepted. ~~Has~~ 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;

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;

4. Unmet need. ~~Has~~ 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;

5. Residency. Meets the state residency or, for a student loan, school attendance requirements that may be established by the authority by rule;

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

7. Minimum academic progress. ~~Is~~ For a student loan, is making satisfactory academic progress in accordance with the standards of that institution of higher education.