

January 28, 1963.

House File 88

Institutions of Higher Learning:
with out. as per med. allow 2/28

By ANDERSEN of Woodbury.

Passed House, Date.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Vote: Ayes..... Nays.....

Approved.....

appropriations 3/13

A BILL FOR

An Act relating to an educational loan fund, and making an appropriation therefor.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. As used in this Act:
- 2 1. "Committee" means the committee appointed by the state
- 3 board of public instruction to administer this Act.
- 4 2. "Approved Iowa high school" means any high school, public
- 5 or private, located in Iowa, approved by the state superintendent
- 6 of public instruction.
- 7 3. "Instruction of higher learning" includes any public or
- 8 private school granting a recognized baccalaureate or profes-
- 9 sional degree and junior colleges or other schools which offer
- 10 terminal courses and meet the standards required by the rules
- 11 and regulations of the committee.
- 1 Sec. 2. There is hereby established an educational loan fund
- 2 to be administered by a committee appointed by the state board
- 3 of public instruction.
- 1 Sec. 3. The committee shall consist of five (5) members com-
- 2 posed of administrative or academic heads of institutions of
- 3 higher learning at least one of whom shall be from a junior col-
- 4 lege. The members of the first committee shall be appointed as
- 5 follows: two (2) members shall be appointed for terms to expire
- 6 July 1, 1964; two (2) members shall be appointed for terms to ex-
- 7 pire July 1, 1965; and one (1) member for a term to expire July 1,

8 1966. Thereafter all members shall serve for terms of three
9 (3) years. Members of the committee shall not be compensated
10 but shall be reimbursed for actual expenses incurred in commit-
11 tee work.

1 Sec. 4. The committee shall formulate rules, regulations,
2 forms, and procedures necessary for the effective administration
3 of this Act.

1 Sec. 5. The committee shall be furnished office space, sup-
2 plies and needed personnel by the state board of public
3 instruction.

1 Sec. 6. Any student who is a graduate of an approved Iowa
2 high school enrolled, or planning to enroll, in any institution
3 of higher learning located in Iowa and is pursuing, or plans to
4 pursue, a course of study leading to a recognized baccalaureate
5 or professional degree or a terminal course in such institution
6 is eligible to apply for a loan from the educational loan fund.

1 Sec. 7. No loan to any student may exceed six hundred (600)
2 dollars in any one (1) year, and the maximum any student may
3 borrow from the fund is four thousand two hundred (4,200) dollars.

1 Sec. 8. The committee shall award loans to applicants on the
2 basis of financial need, scholarship achievements, and general
3 ability.

1 Sec. 9. The number of loans made to the students of any one
2 institution shall not exceed, as a percentage of total loans
3 made, the number that the total student body of the institution
4 bears to the total student body at all institutions of higher
5 learning in the state.

1 Sec. 10. In order to receive a loan a student must enter into
2 a written agreement to repay all sums plus interest loaned to him.

3 under the authority of this Act within five (5) years. Payments
4 shall be made in installments, the first to be due eighteen (18)
5 months after a student completes his course of study or leaves
6 school. Any contract entered into under authority of this Act
7 by any minor shall not be subject to disaffirmance by him.

1 Sec. 11. Loans made under authority of this Act shall be non-
2 interest bearing until six (6) months after the borrower finishes
3 his course of study or leaves school, and then interest shall be
4 at a rate of three (3) percent per annum. The committee may ex-
5 tend or renegotiate repayment contracts when the borrower is in
6 school outside the state or when enforcement of the original
7 contract will work a hardship upon the borrower.

1 Sec. 12. Any recipient of a loan from the educational loan
2 fund who accepts full-time employment in the state of Iowa fol-
3 lowing completion of his course of study or upon leaving school
4 shall be forgiven ten (10) percent of the total loan amount for
5 each year in which he remains in Iowa in full-time employment,
6 but the maximum forgiveness shall be not more than fifty (50) per-
7 cent of any recipient's indebtedness to the educational loan fund.

1 Sec. 13. No more than five hundred thousand (500,000) dollars
2 shall be appropriated in any one (1) year for the educational
3 loan fund, and the maximum that may be loaned in any one (1) year
4 is two million (2,000,000) dollars, but no appropriation shall be
5 larger than required to bring the funds in the educational loan
6 fund available for lending up to two million (2,000,000) dollars.

1 Sec. 14. There is hereby appropriated to the educational loan
2 fund the sum of five hundred thousand (500,000) dollars for each
3 year of the next biennium, to be used in conformity with the pro-
4 visions of this Act.

EXPLANATION OF HOUSE FILE 88

The purpose of this bill is to provide financial assistance to deserving students and to give them an opportunity to get the benefit of a college education in an Iowa college of their choice. The program also covers those technical courses of shorter duration than college courses but essential to the economic welfare of an area and which are in demand by business and industry. The bill contains a forgiveness feature encouraging the young people who are beneficiaries under this Act to make their permanent work home in Iowa.