



**House
Legislative
Analysis
Section**

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TRANSFER GSL PROGRAM TO OTHER AUTHORITY

APR 29 1988

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House Bill 5522

Sponsor: Rep. William R. Keith Mich. State Law Library
Committee: Colleges and Universities

Complete to 4-7-88

A SUMMARY OF HOUSE BILL 5522 AS INTRODUCED 3-24-88

Public Act 77 of 1960 created the Michigan Higher Education Assistance Authority (MHEAA) and specifies, among other things, that the MHEAA is the governing authority for the Michigan Guaranteed Student Loan (GSL) Program. The bill would amend the act to require the MHEAA, within 180 days after the bill became law, to enter into an agreement to transfer all assets and liabilities of its GSL program, except for federal advances and state contributions, if both of the following conditions were met:

--the transfer would be made to a non-profit corporation that is incorporated in a state contiguous to Michigan, offers GSL guarantee and lender servicing, and has at least a 30 percent student loan default recovery rate; and,

--the transfer agreement would obligate the transferee nonprofit corporation to offer full-time employment to all employees of the MHEAA who are engaged in the Michigan GSL program on the date of the transfer agreement. In addition, the bill would specify that if the transfer authorized in the bill occurred, the transferee nonprofit corporation would not be subject to Public Act 77 of 1960, but, rather, would be governed by the federal Higher Education Act.

MCL 390.951, et al.

House Bill 5522 (4-7-88)