
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **611** Session of
1961

MESSRS. HAYS, WAGNER, SEYLER, SILVERT, YATRON
AND CONFAIR, IN PLACE, MAY 3, 1961.

AS AMENDED ON SECOND READING, JUNE 1, 1961.

AN ACT

Amending the act of March 10 1949 (P L 30) entitled "An act relating to the public school system including certain provisions applicable as well to private and parochial schools amending revising consolidating and changing the laws relating thereto" providing scholarships and loans to graduates of secondary schools

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill.
Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

1 Section 1 Section 1612 of the act of March 10 1949 (P L 30)
2 known as the "Public School Code of 1949" is repealed but this repeal
3 shall not in any manner affect any scholarship heretofore granted under
4 said section

5 Section 2 The act is amended by adding after section 1613 two new
6 sections to read

7 Section 1614 Scholarships for Graduates of Secondary Schools (a)
8 Each year the Commonwealth shall provide scholarships for use at any
9 accredited college or university in the United States COMMON-
10 WEALTH OF PENNSYLVANIA to graduates of the secondary
11 schools of the Commonwealth who are residents of the Commonwealth
12 which shall vary in amounts from one hundred dollars (\$100) to one
13 thousand dollars (\$1000) per year and shall be awarded on a competi-
14 tive basis

15 (b) The number of such scholarships awarded in any one year shall
16 not exceed five per cent (5%) of the total number of persons graduated
17 from the secondary schools of the Commonwealth in the year preceding
18 the year in which the scholarships are awarded

19 (c) Appointments to such scholarships shall be made by the De-
20 partment of Public Instruction Persons entitled to such appointments

1 shall be determined by competitive examinations conducted each year by
2 the Department of Public Instruction in accordance with such policies or
3 standards as are promulgated by the State Council of Education Due
4 notice of any examinations held under this section shall be given in an
5 appropriate manner

6 (d) The amount of the stipend to be granted to a person appointed
7 to a scholarship shall be based on financial need determined in accord-
8 ance with policies and standards promulgated by the State Council of
9 Education The financial need of an applicant shall not be affected by his
10 being the recipient of some other scholarship not awarded by the Com-
11 monwealth

12 (e) Any person awarded a scholarship under this section shall retain
13 the benefits thereof so long as he maintains himself as a student in good
14 standing at an accredited college or university in the United States
15 COMMONWEALTH OF PENNSYLVANIA but not longer than four
16 academic years

17 (f) The Department of Public Instruction subject to any policies
18 or standards promulgated by the State Council of Education shall deter-
19 mine the time and manner in which stipends shall be paid

1 Section 1615 Payment of Low-Interest Student Loans Insured
2 Whenever any graduate of a secondary school of the Commonwealth
3 who is a resident of the Commonwealth borrows money from any person
4 or lending institution for the purpose of financing his education at an
5 institution of higher learning upon application to and approval by the
6 Department of Public Instruction the Commonwealth shall guarantee
7 the repayment of such loans

8 AS A CONDITION OF GRANTING ANY SUCH LOAN TO
9 ANY RESIDENT WHO IS UNDER THE AGE OF TWENTY-
10 ONE YEARS THE LENDING PERSON OR INSTITUTION
11 SHALL REQUIRE THE SIGNATURE OF THE PARENTS OR
12 PARENT IF ONLY ONE IS LIVING OR THE GUARDIAN OF
13 SAID MINOR ON ANY INSTRUMENT OF INDEBTEDNESS

14 The Department of Public Instruction in accordance with policies
15 or standards promulgated by the State Council of Education shall issue
16 rules and regulations which shall set forth such terms and conditions as
17 may be necessary or appropriate to insure that the Commonwealth's
18 assumption of any obligation under this section shall be reasonable and
19 only for the purposes intended

20 No application to the Department of Public Instruction for the

1 approval of a loan shall be approved if the Department determines that

2 (1) The loan is not for the purpose of financing the education of
3 the applicant at an accredited college or university in the United States.

4 COMMONWEALTH OF PENNSYLVANIA

5 (2) The applicant has not been accepted for admission by or is not
6 a student in good standing at an accredited college or university in the

7 United States COMMONWEALTH OF PENNSYLVANIA

8 (3) The interest charged on the loan is unreasonable IN NO
9 CASE SHALL THE INTEREST RATE BE MORE THAN FIVE
10 AND ONE-HALF PER CENT (5½%)

11 (4) The conditions for the repayment of the loan are unreasonable.

12 (5) The application for any reason does not conform to the terms
13 and conditions for such loans as set forth in any rule or regulation issued
14 by the Department of Public Instruction in accordance with the author-
15 ity granted in this section

16 The State Council of Education shall ~~classify courses of study and~~
17 determine with respect thereto the maximum amount of loan which may
18 be insured in any one year for any one person

19 Section 3 This act shall become effective July 1 1962

835—Printer's No.

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We certify that this bill has passed the Senate and the House of
Representatives.

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Chief Clerk, Senate

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President pro tempore, Senate

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Speaker, House of Representatives

Approved The day of A. D. 1961.

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Governor