

## No. 116

## AN ACT

## HB 176

Amending the act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations," increasing the amount of a loan guarantee; further providing for payment of expenses; providing for ineligibility for loan assistance; authorizing investments in loans; and removing examination powers of the Department of Banking and, in lieu thereof, providing for audits by the Auditor General.

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

Section 1. The title, act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations," is amended to read:

## AN ACT

Creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of ~~[Banking]~~ *Auditor General*; and making appropriations.

Section 2. Clauses (1) and (3) of section 4 of the act, amended January 18, 1968 (P. L. 952), are amended to read:

Section 4. Powers and Duties.—In furtherance of the purposes set forth in this act, the board of directors shall have the following powers:

(1) To guarantee loans of money upon such terms and conditions as the board may prescribe within the limitations contained herein, and at a uniform rate of interest to be determined by the agency, to persons who are residents of this State and who plan to attend or are attending any approved institution of higher education eligible under this act in this State or elsewhere to assist them in meeting their expenses of higher education. No such person shall receive any loan guarantee in excess of ~~[one thousand dollars (\$1000)]~~ *one thousand five hundred dollars (\$1500)* for any academic year and no such person shall receive a total loan guarantee of more than ~~seventy-five hundred dollars (\$7500)~~. Such loan guarantees shall become due and payable at the direction of the board of directors and the board of directors may extend the repayment period not

to exceed fifteen years from the date of execution of the note or other written evidence of the loan.

\* \* \*

(3) To take, hold and administer on behalf of the agency and for any of its purposes, real property, personal property and moneys or any interest therein and the income therefrom either absolutely or in trust. The board may acquire property or moneys for such purpose by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans, but no obligation of the agency shall be a debt of the State and it shall have no power to pledge the credit or taxing power of the State nor to make its debts payable out of any moneys except those of the corporation. All accrued and future earnings from funds invested by the board of directors are hereby appropriated to the agency to guarantee the loans of moneys as provided in this act *and for payment of expenses in carrying out all of the functions of the agency for the fiscal year commencing July 1, 1969.* The payment of expenses in carrying out the provisions of this act shall be [solely] from funds appropriated by the General Assembly for that purpose or augmented by such other funds as shall become available from time to time from the Federal government, *insurance premiums and charges assessed by the agency*, or contributions for the same purpose. For the purpose of administration, the agency shall be subject to the following provisions of "The Administrative Code of 1929:" sections 601, 602, 603 and 604.

\* \* \*

Section 3. The act is amended by adding after section 4, a new section to read:

*Section 4.1. Ineligibility for Loan Assistance.—(a) The agency may deny all forms of financial assistance to any student:*

*(1) Who is convicted by any court of record of a criminal offense which was committed after the effective date of this act which, under the laws of the United States or Pennsylvania, would constitute a misdemeanor involving moral turpitude or a felony; or*

*(2) Who has been expelled, dismissed or denied enrollment by an approved institution of higher learning for refusal to obey, after the effective date of this act, a lawful regulation or order of any institution of higher education, which refusal, in the opinion of the institution, contributed to a disruption of the activities, administration or classes of such institution; or*

*(3) Who has been convicted in any court of record of any offense committed in the course of disturbing, interfering with or preventing, or in an attempt to disturb, interfere with or prevent the orderly conduct of the activities, administration or classes of an institution of higher education.*

*(b) Each institution of higher education shall immediately furnish to the agency, the name and address of any student who is a resident of the Commonwealth of Pennsylvania who is expelled, dismissed or*

*denied enrollment for the reasons set forth in clause (2) of subsection (a) of this section or of whom the institution of higher education has knowledge that he has been convicted of offenses as set forth in clauses (1) and (3) of subsection (a) of this section.*

*(c) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.*

*(d) Any institution of higher learning which refuses to execute an agreement with the agency to comply with subsection (b) of this section shall be denied the status of an approved institution under the provisions of this act.*

Section 4. Sections 7.1 and 8 of the act, added or amended January 18, 1968 (P. L. 952), are amended to read:

Section 7.1. Banks, etc., Authorized to Invest in Loans.—All banks, bank and trust companies, trust companies, savings banks, private banks, building and loan associations, credit unions and saving and loan associations organized under the laws of this Commonwealth and all national banks and insurance companies, *pension funds and trusts, the State Employees' Retirement Fund, the Public School Employees' Retirement Fund, and corporations and associations approved by the board of directors*, may invest in loans guaranteed by the agency and made for the payment of expenses incurred or to be incurred in acquiring an education at a postsecondary institution of higher learning.

Section 8. [Examination] *Audits* and Reports.—The activities of the Pennsylvania Higher Education Assistance Agency under this act shall be subject to the [examination] *audit* of the Department of [Banking] *Auditor General*, but the agency shall not be [deemed to be a banking organization nor] required to pay a fee for any such [examination] *audit*. It shall make an annual report to the Governor, *and* the Legislature [and the Department of Banking] showing its condition at the end of the Commonwealth's fiscal year.

Section 5. This act shall take effect immediately.

APPROVED—The 29th day of October, A. D. 1969.

RAYMOND P. SHAFER

The foregoing is a true and correct copy of Act of the General Assembly No. 116.



Secretary of the Commonwealth.