MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
Act 77 of 1960

AN ACT to create the Michigan higher education assistance authority and to prescribe its powers and duties; to authorize persons, corporations, and associations to make gifts to the authority; to prescribe the powers and duties of certain state officials; to authorize, ratify, and confirm certain guarantees of students' loans and authorize reguarantees; to authorize, ratify, and confirm certain guarantees of loans made to parents of students; to validate certain prior appropriations; and to authorize the transfer of certain appropriations to be transferred to and administered by the authority.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1981, Act 29, Eff. July 1, 1981;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

The People of the State of Michigan enact:

390.951 Michigan higher education assistance authority; creation.

Sec. 1. There is created a nonprofit authority as an agency in the department of education, to be known as the "Michigan higher education assistance authority". The authority may contract and be contracted with, sue and be sued, implead and be impleaded, and complain and defend in all courts of law and equity. The authority shall exercise its powers as an autonomous entity, independent of the director of the department of education.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

For transfer of certain powers and duties of Michigan higher assistance authority not transferred to department of treasury to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

Transfer of powers: See MCL 16.408.

390.952 Appointment and qualifications of members of authority.

Sec. 2. The authority shall consist of the superintendent of public instruction, ex officio, who shall be chairman, 2 representatives from private colleges located within this state, 2 representatives from community colleges located within this state, 1 representative each from the university of Michigan, Michigan state university, and Wayne state university, 2 representatives from all other state supported 4-year colleges and universities within the state, 1 representative from the secondary schools of the state, 1 representative from an eligible lending institution of the state, 1 representative from the private occupational schools within the state, and 3 representatives from the citizens of the state chosen for their interest in higher education but not employed by, professionally affiliated with, or on the governing body of a college, university, or public high school of this state, to be appointed by the governor with the advice and consent of the senate.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1964, Act 218, Imd. Eff. May 22, 1964;—Am. 1968, Act 42, Eff. Nov. 15, 1968;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977.

Compiler's note: For replacement of the superintendent of public instruction as an ex officio member and chairperson of the Michigan higher education assistance authority and the Michigan higher education student loan authority by the state treasurer, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.953 Higher education assistance authority; term of office, removal.

Sec. 3. The terms of office of the members of the authority shall be 4 years, and they shall hold office until the appointment and qualification of their successors, except that the original members shall be appointed in such manner as to provide for the expiration each year of the terms of one-fourth of the members. The governor may remove any member for misfeasance, malfeasance or nonfeasance in office, after hearing.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.954 Higher education assistance authority; vacancies, appointment, removal.

Sec. 4. The governor shall fill any vacancy for the balance of the unexpired term by the appointment of a person with the same status as the predecessor of the appointee. The governor may remove any appointee for misfeasance, malfeasance or nonfeasance in office, after hearing.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

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390.955 Quorum; rules.

Sec. 5. A quorum for the transaction of business shall consist of a majority of the members of the authority, and a quorum may bind the authority. The authority shall promulgate rules to implement this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977.

Administrative rules: R 390.1401 et seq. of the Michigan Administrative Code.

390.955a Conducting business at public meeting; notice.

Sec. 5a. The business which the authority may perform shall be conducted at a public meeting of the authority held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: Add. 1978, Act 207, Imd. Eff. June 4, 1978.

390.956 Higher education assistance authority; compensation, expenses.

Sec. 6. No member of the authority shall receive any compensation for his services, but the authority may reimburse each member for expenses necessarily incurred in the performance of his duties.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.957 Powers of authority.

Sec. 7. The authority may:

(a) Guarantee 100% of the principal and interest of a loan of money, upon the terms and conditions as it prescribes, to a person attending or accepted to attend an eligible postsecondary educational institution to assist the person in meeting his or her expenses of postsecondary education incurred in any academic year or to a parent of a person who meets the requirements for a loan as determined by the authority.

(b) Take, hold, and administer real, personal, or mixed property and money, or any interest in property or money, and the income from the property, either absolutely or in trust, for a purpose of this act. The authority may acquire property for this purpose by purchase or lease and by the acceptance of gifts, grants, bequests, devises, money, or loans. An obligation incurred under this act shall not be a debt of the state.

(c) Enter into contracts with an eligible lender or with a public or private postsecondary educational institution, upon the terms as may be agreed upon between the authority and an institution, to provide for the administration by an institution of a loan, or guarantee of a loan, made by the authority, including applications for a loan and repayment of a loan.

(d) Competitively contract for services, including consulting services as needed to carry out the purposes of this act.

(e) Enter into an agreement with a group life insurance carrier to insure each person receiving a guaranteed loan under the program.

(f) Require a person receiving a guaranteed loan to remit a fee which may include the payment of a group life insurance premium.

(g) Receive state appropriations for the guaranty fund of the loan program to be used to match deposits and to accept contributions received by the authority for this purpose.

(h) Administer a state scholarship program according to the law and rules promulgated by the authority.

(i) Administer an undergraduate scholar awards program according to the law and rules promulgated by the authority.

(j) Receive funds from the federal government to assist in implementing federally supported programs administered under this act.

(k) Administer an incentive awards program according to rules promulgated by the authority.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1964, Act 218, Imd. Eff. May 22, 1964;—Am. 1965, Act 276, Imd. Eff. July 21, 1965;—Am. 1966, Act 60, Imd. Eff. June 9, 1966;—Am. 1968, Act 42, Eff. Nov. 15, 1968;—Am. 1969, Act 302, Imd. Eff. Aug. 11, 1969;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977;—Am. 1981, Act 29, Eff. July 1, 1981;—Am. 1989, Act 128, Imd. Eff. June 28, 1989;—Am. 1990, Act 117, Imd. Eff. June 22, 1990.

Compiler's note: For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

Administrative rules: R 390.871 et seq. and R 390.1551 et seq. of the Michigan Administrative Code.

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390.957a Repealed. 2006, Act 425, Eff. Oct. 1, 2007.

Compiler's note: The repealed section pertained to use of money from Michigan guaranty agency's operating fund for the state competitive scholarship program.

390.957b Repealed. 2008, Act 103, Eff. Oct. 1, 2008.

Compiler's note: The repealed section pertained to use of money from Michigan guaranty agency's operating fund for state competitive scholarship program.

390.958 Loans to minors.

Sec. 8. Any person otherwise qualifying for a loan shall not be disqualified to receive a loan guaranteed by the authority by reason of his being a minor. For the purpose of applying for, receiving and repaying a loan, any person shall be deemed to have full legal capacity to act and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1972, Act 26, Imd. Eff. Feb. 19, 1972.

390.959 Higher education assistance authority; gift tax, deductible.

Sec. 9. Notwithstanding the provisions of any general or special law or the provisions of any certificate of incorporation, charter or other articles of organization, all domestic corporations or associations organized for the purpose of carrying on business in this state, and any person, may make contributions or gifts, grants, bequests, devises or loans to the authority. The value of gifts, grants, bequests, devises and all contributions shall be allowed as deductions in computing the net taxable income of any person, corporation or association for purposes of any income or franchise tax imposed by the state or any political subdivision thereof.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.960 Supervision and examination of authority; authority not banking organization; annual report.

Sec. 10. The authority is subject to the supervision and examination of the commissioner of the financial institutions bureau of the department of commerce. However, the authority is not considered to be a banking organization and is not required to pay a fee for the supervision or examination. The authority shall make an annual report of its condition to the governor and the legislature within 60 days after the legislature convenes.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

390.961 Guarantees of loans; appropriations to guaranty fund; guarantees of parent loans; authorization, ratification, and confirmation.

Sec. 11. (1) All guarantees of loans by the state department of education pursuant to this act made before February 15, 1974 are considered to have been made by the department for the authority and are authorized, ratified, and confirmed. If the authority is requested by any holder of such a guarantee to reissue the guarantee in its own name, it shall do so. All state appropriations to the guaranty fund of the loan program administered by the state department of education pursuant to this act made before February 15, 1974 are authorized, ratified, and confirmed, and any money in or investments of the guaranty fund of the loan program after that date shall be transferred to and administered, disbursed, and reported on by the authority in accordance with this act.

(2) All guarantees of parent loans by the authority pursuant to section 428d of part B of title IV of Public Law 89-329, 20 U.S.C. 1078-2, are authorized, ratified, and confirmed.

History: Add. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1990, Act 117, Imd. Eff. June 22, 1990.

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