

HIGHER EDUCATION LOAN AUTHORITY ACT (EXCERPT)
Act 222 of 1975

390.1162 Loans to students or parents of students; rules; basis of determining amount of loan; description of options; federally reinsured loans; variable repayment schedules; revised repayment term or schedule.

Sec. 12.

(1) The authority may make loans to students enrolled or to be enrolled in eligible institutions or to the parents of students out of moneys available to the authority for loans. The authority shall promulgate rules for determining the needs of the respective students and parents of students for loans and for the purpose of making loans. The amount of a loan made by the authority to a student or parent of a student, whether the student is enrolled or is to be enrolled in a private institution or a tax-supported public institution, shall be determined by the authority upon the basis of substantially similar standards and guides for any authority loan program set forth in the authority's rules. The authority, in determining the needs of students or parents of students for loans, may consider the amount of assistance available to the students.

(2) At the time the authority makes a loan, and again when a repayment schedule on the loan is provided to the borrower, the authority shall describe in detail whether an option exists, and if so, who may exercise the option, under what conditions the option may be exercised, and what options are available relating to all of the following:

(a) The term of the loan.

(b) The repayment period on the loan.

(c) An extension of the term or repayment period on the loan and the conditions of repayment under the extension.

(d) A deferment or forbearance on the repayment of the loan or on interest accruing on the loan, whether interest is to be paid during the deferment or forbearance, and the terms of repayment after the deferment or forbearance.

(e) The period of time between installment payments on the loan and whether graduated or unequal installment payments may be made.

(f) The minimum annual payment on the loan, and if more than 1 loan is taken from the authority or if the borrower takes or has taken an educational loan from another source, the availability of consolidation, transfer, or assignment of the loans and the minimum annual payment on the aggregate of the loans.

(g) The availability of loan counseling to answer questions relating to repayment options.

(h) The revision or renegotiation of the repayment schedule on the loan after repayment has commenced, or if other educational loans from the authority or another source are taken after the repayment has commenced.

(3) On loans made by the authority which are federally reinsured loans, the authority may establish variable repayment schedules conforming to the need and documented income levels of borrowers, if the schedules are not inconsistent with the federal laws, rules, or regulations governing the reinsured loans. A borrower making payments on a loan may request and be granted a revised repayment term or schedule based upon the established variable repayment schedules.

History: 1975, Act 222, Eff. Oct. 1, 1975 ;-- Am. 1978, Act 253, Imd. Eff. June 20, 1978 ;-- Am. 1987, Act 206, Eff. Jan. 1, 1988

Admin Rule: R 390.1601 et seq. of the Michigan Administrative Code.