

## ACT 230

H. B. NO. 979

A Bill for an Act Relating to the Establishment of a Loan Assistance Program for Students at the University of Hawaii and the Community Colleges and Amending Chapter 304, Hawaii Revised Statutes.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 304, Hawaii Revised Statutes, is amended by adding thereto the following part, to be appropriately numbered and to read as follows:

**“PART IV. STUDENT LOAN ASSISTANCE PROGRAM.**

**Sec. 304- . Student loan fund.** There is hereby created a special fund, which shall be known as the state higher education loan fund. The fund shall be a revolving fund and all interest and payments received on account of principal shall be credited to the fund. The fund shall be administered by the board of regents of the University of Hawaii and shall be disbursed to needy students pursuant to rules and regulations adopted by the board of regents.

**Sec. 304- . Eligibility for loans; amounts.** Eligibility for loans from the loan fund is limited to students at the University of Hawaii or the community colleges of the State who have been residents of the State for at least one year and are enrolled in a full-time program which culminates in the award of a degree. The amount to be loaned to a student shall be determined by the board of regents based on need for financial aid, academic promise, and deportment. In no event shall the amount loaned to any student in any school year exceed the sum of tuition and mandatory registration fees, mandatory special fees charged for the use of laboratories, mandatory fees charged for participation in student activities and privileges, the cost of required textbooks, and up to \$200 per month during the school year and excluding summer session, to defray room and board expenses.

**Sec. 304- . Repayment of loans.** All loans made under this part shall bear interest at one half the commercial loan interest rate prevailing in the State at the time when repayment of the loan begins. Repayment of principal and interest charges shall commence six months after graduation or withdrawal from the degree program and shall be paid in monthly installments over a ten year period. The board of regents may, upon application by the student and upon a showing of good cause, defer repayment of the loan and commencement of interest. Liability for repayment of a loan shall be cancelled upon the death of permanent total disability of the borrower.

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**Sec. 304- . Capacity of minors.** Any student otherwise qualifying for a loan under this program shall not be disqualified by reasons of his being under the age of twenty years, and for the purpose of applying for, receiving, and repaying the loan, any such person shall be deemed to have full legal capacity to act and shall have all rights, powers, privileges, and obligations of an adult with respect thereto.

**Sec. 304- . Rules and regulations.** The board of regents shall have power in accordance with Chapter 91, Hawaii Revised Statutes, to adopt rules and regulations necessary for the administration of this program.”

**SECTION 2.** This Act shall take effect upon its approval.

(Approved July 14, 1969.)