

ACT 176

H.B. NO. 2210-82

A Bill for an Act Relating to the State Higher Education Loan Fund.

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

SECTION 1. Section 304-93, Hawaii Revised Statutes, is amended to read:

"§304-93 Repayment of loans. All loans made under this part shall bear interest at three per cent simple interest. Repayment of principal and interest charges shall commence nine months after graduation or [withdrawal from the degree program] after a borrower ceases to be enrolled at least half-time in a degree program and shall be paid in periodic installments within 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 or permanent total disability of the borrower.

The university may spend out of the state higher education loan fund up to one per cent of the total amount of loans in force for the collection of repayments. In addition, all interest collected shall revert to and be credited to the loan fund."

SECTION 2. New statutory material is underscored. Statutory material to be deleted is bracketed.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 5, 1982.)