

# Senate Amendment 3241

## Amendment Text

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1 1 Amend [Senate File 464](#) as follows:  
1 2 #1. Page 28, by inserting after line 13 the  
1 3 following:  
1 4 "Section \_\_\_\_ . NEW SECTION. 261.130 DEFINITIONS.  
1 5 As used in this division, unless the context  
1 6 otherwise requires:  
1 7 1. "Commission" means the college student aid  
1 8 commission.  
1 9 2. "Education tax credit" means the federal hope  
1 10 scholarship credit or lifetime learning credit under  
1 11 section 25A of the Internal Revenue Code.  
1 12 3. "Eligible borrower" means a taxpayer who is  
1 13 reasonably expected to qualify for receiving the  
1 14 federal hope scholarship credit or lifetime learning  
1 15 credit under section 25A of the Internal Revenue Code.  
1 16 4. "Eligible institution" means any postsecondary  
1 17 educational institution described in section 418 of  
1 18 the Higher Education Act of 1965 which is entitled to  
1 19 participate in a program under Title IV of that Act.  
1 20 5. "Higher Education Act of 1965" means the  
1 21 federal Higher Education Act of 1965, as amended and  
1 22 codified in 20 U.S.C. } 1071 et seq.  
1 23 6. "Internal Revenue Code" means the same as  
1 24 defined in section 422.3.  
1 25 7. "Qualified tuition and related expenses" means  
1 26 the same as defined in section 25A(f) of the Internal  
1 27 Revenue Code.  
1 28 Sec. \_\_\_\_ . NEW SECTION. 261.131 STUDENT BRIDGE  
1 29 LOAN PROGRAM.  
1 30 1. A student bridge loan program shall be  
1 31 established by the commission to provide loans to an  
1 32 eligible borrower to bridge the gap between the time  
1 33 qualified tuition and related expenses for enrollment  
1 34 or attendance at an eligible institution are incurred  
1 35 and the time when the eligible borrower will receive  
1 36 the benefit of an education tax credit.  
1 37 2. An eligible borrower seeking a loan under the  
1 38 student bridge loan program shall file an application  
1 39 with the commission and demonstrate a need for a  
1 40 short-term loan to pay for all or part of the  
1 41 qualified tuition and related expenses for enrollment  
1 42 or attendance at the eligible institution. The  
1 43 demonstrated need for the loan shall be for not longer  
1 44 than one school year.  
1 45 3. The amount of the loan shall not exceed the  
1 46 approximate amount of an educational tax credit which  
1 47 will be claimed by the eligible borrower for the tax  
1 48 year in which the qualified tuition and related  
1 49 expenses will be paid.  
1 50 4. A student bridge loan made under this program  
2 1 shall be used solely for payment of qualified tuition  
2 2 and related expenses. The loan shall be repayable by  
2 3 June 30 of the year following the tax year for which  
2 4 the educational tax credit is claimed. Interest shall  
2 5 not be charged on the loan until after the due date.  
2 6 After the due date, interest shall be charged at a  
2 7 rate equal to the rate being collected by an eligible

2 8 lender under the guaranteed loan payment program  
2 9 established under section 261.44.  
2 10 5. An eligible borrower is eligible to receive  
2 11 student bridge loans under this program for more than  
2 12 one school year or portion of a school year.  
2 13 Sec. \_\_\_\_ NEW SECTION. 261.132 APPROPRIATION  
2 14 REVOLVING FUND.  
2 15 There is appropriated to the student bridge loan  
2 16 program revolving fund created in the state treasury  
2 17 and under the control of the commission the sum of  
2 18 five million dollars for the fiscal year beginning  
2 19 July 1, 1999.  
2 20 Moneys appropriated to the revolving fund shall be  
2 21 used by the commission for purposes of making student  
2 22 bridge loans to eligible borrowers under the student  
2 23 bridge loan program. Interest earned on moneys in the  
2 24 revolving fund shall be credited to the revolving  
2 25 fund, notwithstanding section 12C.7. All repayment of  
2 26 loans made under the program shall be credited to the  
2 27 revolving fund.  
2 28 Notwithstanding section 8.33, all unencumbered or  
2 29 unobligated moneys remaining at the close of any  
2 30 fiscal year in the revolving fund shall not revert but  
2 31 shall remain available to the commission for use of  
2 32 the revolving fund."  
2 33 #2. Title page, line 4, by inserting after the  
2 34 word "regents," the following: "providing for a  
2 35 student bridge loan program,".  
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2 37  
2 38 \_\_\_\_\_  
2 39 JOHNIE HAMMOND  
2 40 EUGENE S. FRAISE  
2 41 ELAINE SZYMONIAK  
2 42 PATRICIA HARPER  
2 43 ROBERT E. DVORSKY  
2 44 WALLY E. HORN  
2 45 SF 464.712 78  
2 46 kh/sc