

SENATE BILL No. 906

April 21, 2016, Introduced by Senators KNEZEK, ANANICH, WARREN, YOUNG, GREGORY, JOHNSON, BIEDA, HOOD, HOPGOOD and HERTEL and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1960 PA 77, entitled

"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,"

by amending sections 2, 3, 4, and 10 (MCL 390.952, 390.953, 390.954, and 390.960), section 10 as amended by 1989 PA 128, and by adding section 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. The authority shall consist of the ~~superintendent of~~
2 ~~public instruction,~~ **STUDENT LOAN OMBUDSMAN**, ex officio, who shall
3 be ~~chairman,~~ ~~2 representatives from private colleges located within~~
4 ~~this state,~~ ~~2 representatives from community colleges located~~

1 ~~within this state, 1 representative each from the university of~~
 2 ~~Michigan, Michigan state university, and Wayne state university, 2~~
 3 ~~representatives from all other state supported 4 year colleges and~~
 4 ~~universities within the state, 1 representative from the secondary~~
 5 ~~schools of the state, 1 representative from an eligible lending~~
 6 ~~institution of the state, 1 representative from the private~~
 7 ~~occupational schools within the state, and 3 representatives from~~
 8 ~~the citizens of the state chosen for their interest in higher~~
 9 ~~education but not employed by, professionally affiliated with, or~~
 10 ~~on the governing body of a college, university, or public high~~
 11 ~~school of this state, to be appointed by the governor with the~~
 12 ~~advice and consent of the senate.~~**CHAIRPERSON, AND 3 MEMBERS**
 13 **APPOINTED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. AS USED IN**
 14 **THIS SECTION, "STUDENT LOAN OMBUDSMAN" MEANS THAT TERM AS DEFINED**
 15 **IN SECTION 3 OF THE STUDENT LOAN OMBUDSMAN ACT.**

16 Sec. 3. The terms of office of the members of the authority
 17 shall be 4 years, and they shall hold office until the appointment
 18 and qualification of their successors, except that the original
 19 members **FIRST APPOINTED AFTER THE EFFECTIVE DATE OF THE AMENDATORY**
 20 **ACT THAT AMENDED THIS SECTION** shall be appointed in such manner as
 21 to provide for the expiration each year of the ~~terms of one fourth~~
 22 ~~of the members.~~**TERM OF NOT MORE THAN 1 MEMBER.** The governor
 23 **SUPERINTENDENT OF PUBLIC INSTRUCTION** may remove any member for
 24 misfeasance, malfeasance, or nonfeasance in office, after hearing.

25 Sec. 4. The ~~governor~~**SUPERINTENDENT OF PUBLIC INSTRUCTION**
 26 shall fill any vacancy for the balance of the unexpired term by the
 27 appointment of a ~~person~~**AN INDIVIDUAL** with the same status as the

1 predecessor of the appointee. The ~~governor~~ **SUPERINTENDENT OF PUBLIC**
2 **INSTRUCTION** may remove any appointee for misfeasance, malfeasance,
3 or nonfeasance in office, after hearing.

4 **SEC. 7C. MEMBERS OF THE AUTHORITY SHALL ALSO SERVE AS MEMBERS**
5 **OF THE MICHIGAN HIGHER EDUCATION STUDENT LOAN AUTHORITY, AS**
6 **PROVIDED BY SECTION 3 OF THE HIGHER EDUCATION LOAN AUTHORITY ACT,**
7 **1975 PA 222, MCL 390.1153.**

8 Sec. 10. The authority is subject to the supervision and
9 examination of the ~~commissioner of the financial institutions~~
10 ~~bureau of the department of commerce.~~ **DIRECTOR OF INSURANCE AND**
11 **FINANCIAL SERVICES.** However, the authority is not considered to be
12 a banking organization and is not required to pay a fee for the
13 supervision or examination. The authority shall make an annual
14 report of its condition to the ~~governor~~ **SUPERINTENDENT OF PUBLIC**
15 **INSTRUCTION** and the legislature within 60 days after the
16 legislature convenes.

17 Enacting section 1. This amendatory act takes effect 90 days
18 after the date it is enacted into law.

19 Enacting section 2. This amendatory act does not take effect
20 unless Senate Bill No. 905

21 of the 98th Legislature is enacted into law.