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H. B. NO. 1151

A Bill for an Act Relating to the Student Loan Assistance Program and Making an Appropriation 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:

“Sec. 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

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from the 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. Appropriation. There is appropriated for the state higher education loan fund out of the general revenues of the State of Hawaii the sum of \$500,000, or so much thereof as may be necessary, for the purposes of the student loan assistance program, as provided by sections 304-91 through 304-95, Hawaii Revised Statutes.

The sum appropriated shall be expended by the University of Hawaii for the purposes aforesaid.

SECTION 3. New material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.*

SECTION 4. This Act shall take effect upon its approval.

(Approved May 15, 1973.)

*Edited accordingly.