

ACT 74

H.B. NO. 295

A Bill for an Act Relating to the Student Loan Assistance Program.

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

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

“**§304-93 Repayment of loans.** All loans made under this part shall bear interest at [three] five per cent simple interest. Repayment of principal and interest charges shall commence nine months after graduation or 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 university may charge late fees and all other reasonable costs for the collection of delinquent loans. 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 canceled 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] two per cent of the total amount of loans outstanding for [the collection of repayments] collection and administrative expenses. In addition, all payments collected shall revert to and be credited to the loan fund.”

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 Statutory material to be repealed is bracketed.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

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

(Approved May 25, 1995.)