

PROPOSED AMENDMENT

SB 3 # 10

DIGEST

Secondary market for guaranteed student loans. Provides that the Indiana Secondary Market for Education Loans, Inc. (ISMEL), may only borrow money subject to the prior approval of the authority. Requires ISMEL to, at least 60 days prior to the issuance or placement of any bond, note, or other instrument, notify the budget committee of the proposed issuance or placement and provide the accompanying prospectuses or offering documents.

- 1 Delete the title and insert the following:
2 A BILL FOR AN ACT to amend the Indiana Code concerning state
3 and local administration and to make an appropriation.
4 Page 1, between the enacting clause and line 1, begin a new
5 paragraph and insert:
6 "SECTION 1. IC 21-16-5-3, AS AMENDED BY P.L.132-2013,
7 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 2023]: Sec. 3. (a) The corporation must, under its articles of
9 incorporation, limit its powers to those described in subsection (b).
10 (b) The corporation may:
11 (1) borrow money, **subject to the prior approval of the Indiana**
12 **finance authority;**
13 (2) purchase, sell, and retire education loans, if the loans are not
14 in default status;
15 (3) provide incentive services and payments, including the
16 payment of premiums for the purchase of education loans and the
17 payment of an origination fee, to assist lending institutions that
18 provide education loans;
19 (4) loan funds to lending institutions if:
20 (A) the lending institution agrees to use the funds to originate
21 education loans of an amount equal to the loan made by the
22 corporation over a period agreeable to the corporation and to
23 grant the corporation the right of first refusal to purchase those
24 education loans;
25 (B) the lending institution agrees to use education loans or

- 1 government securities as collateral for the loan; and
 2 (C) the corporation has, in response to its written request,
 3 received written authorization from the governor to exercise
 4 the power described in this subdivision;
 5 (5) make direct loans to or for the benefit of an education loan
 6 borrower or to consolidate all or a part of the borrower's
 7 outstanding education loans into one (1) loan;
 8 (6) operate a secondary market for postsecondary education
 9 finance instruments, including tuition certificates and education
 10 savings certificates sold by or offered through lending institutions
 11 or postsecondary educational institutions;
 12 (7) provide financial literacy and educational tools to students,
 13 their families, and Indiana colleges and universities with respect
 14 to responsibly financing the costs of higher education; and
 15 (8) do all other things that are necessary or incidental to
 16 performing the functions listed in subdivisions (1) through (7).

17 **(c) The corporation, and any entity doing business as the**
 18 **corporation, including:**

- 19 **(1) the Indiana Secondary Market for Educational Loans,**
 20 **Inc.;**
 21 **(2) INvestED; or**
 22 **(3) any other entity doing business as the corporation;**

23 **shall, at least sixty (60) days prior to the issuance or placement of**
 24 **any bond, note, or other instrument by the corporation under this**
 25 **chapter, notify the budget committee of the proposed issuance or**
 26 **placement and provide the accompanying prospectuses or offering**
 27 **documents."**

28 Renumber all SECTIONS consecutively.

(Reference is to SB 3 as reprinted February 24, 2023.)