A BILL FOR AN ACT

To create a student revolving loan fund in the Federated States of Micronesia, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Short title. This act shall be known as the Student Revolving Loan Fund Act of 1981.

Section 2. Creation of the student revolving loan fund. There is hereby created a student revolving loan fund of the Federated States of Micronesia, herein referred to as the "Student Revolving Loan Fund," the purpose of which shall be to provide a revolving fund that will provide financial assistance for educational purposes through loans to citizens of the Federated States of Micronesia.

Section 3. Use of the Student Revolving Loan Fund. The Student Revolving Loan Fund shall be made available for loans to Federated States of Micronesia citizens attending accredited schools above high school level within and outside of the Federated States of Micronesia.

Section 4. Repayment of loans. Repayment of loans and interest collected from funds appropriated under Public Laws Nos. 1-22, 1-106, and 1-125 shall be deposited in the Student Revolving Loan Fund account with the Department of Finance of the Federated States of Micronesia and shall be made available for loans to qualified and eligible students who are citizens of the Federated States of Micronesia. Repayment of loans shall be made in accordance with rules and regulations established by the Department of Social Services, Federated States of Micronesia and the repayment period shall be determined by the Secretary of Social Services or his designee.

Section 5. Eligibility. Loans may be made to students only upon fulfillment of the following requirements:

(1) Students must be citizens of the Federated States of Micronesia.
Micronesia;

(2) Students must show proof of acceptance or enrollment at an accredited institution of higher learning;

(3) Students must support an application for a loan by a showing of need; and

(4) Students must undertake and maintain a full-time academic work load.

Section 6. Policies and procedures. The Secretary of Social Services, subject to approval by the President, shall establish policies and procedures necessary and appropriate for the effectuation and implementation of the provisions of this act. The Secretary of Social Services, subject to approval by the President, shall establish the terms and conditions, including interest rates, subject to which loans shall be extended to students.

Section 7. Annual report. The Secretary of the Department of Social Services shall prepare and submit an annual report on the status of the fund prior to the October session of the Congress of the Federated States of Micronesia. The report shall include the total amount of money in the account, the number of loans made, the amount of repayment collected during the fiscal year, and such other information as may be appropriate.

Section 8. Effective date. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: November 8, 1991

Introduced by: Luke M. Taan
(By request)