

1969 Bill 66

Second Session, 16th Legislature, 18 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 66

An Act to provide Guarantees for Student loans

THE MINISTER OF EDUCATION

First Reading

Second Reading

Third Reading

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1969

An Act to provide Guarantees for Student Loans

(Assented to _____, 1969)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. This Act may be cited as *The Students Loan Guarantee Act*.

2. In this Act,

- (a) “certificate” means a certificate of eligibility for a loan guaranteed by the Province;
- (b) “credit institution” means a chartered bank or a treasury branch;
- (c) “Minister” means the Minister of Education;
- (d) “student” means a person enrolled in a course of studies at an educational institution, both the course and the institution having been approved by the Students Assistance Board.

3. A student who is resident in Alberta and who wishes to borrow money from a credit institution may apply to the Minister for a certificate.

4. Where a credit institution makes a loan to a student in accordance with a certificate issued to the student and signed

- (a) by the Minister (or a person designated in writing by the Minister to sign certificates), and
- (b) by a person designated in writing by the chief administrative officer of the educational institution in which the student is enrolled,

the Province hereby guarantees the repayment of the principal and interest.

Explanatory Notes

1. General. This Act is intended to give financial aid to students by guaranteeing loans made by student with banks or treasury branches.

2. Definitions.

3. Minister's certificate.

4. Province guarantees all loans to students for which a student has prior approval under a certificate.

5. The Provincial Treasurer shall pay to a credit institution in respect of each loan contracted by a student and guaranteed by the Province under section 4, interest on that loan on the terms, in the manner and at the rate prescribed in the regulations.

6. A student under 21 years is bound by a loan contracted by him under section 3 and the provisions of this Act apply as if he were of full age at the time the contractual liability arose.

7. Where the Province pays money under a guarantee the Province is subrogated to the rights of the credit institution.

8. The Minister may

- (a) enter into arrangements with any department, branch or agency of the Government of Alberta or any other public or private organization or agency to assist in carrying out the purposes and provisions of this Act, and
- (b) with the approval of the Lieutenant Governor in Council enter into arrangements with the Government of Canada or any province to facilitate the administration or enforcement of this Act.

9. (1) The money required to carry out this Act shall, for the current fiscal year, be paid out of the General Revenue Fund and thereafter out of moneys appropriated by the Legislature for the purpose.

(2) The Minister is prohibited from issuing any certificate which if presented by a student to a bank for a loan would increase the outstanding principal liability of the Province beyond \$15,000,000 at any given time.

10. (1) Any person (including a student) who orally or in writing intentionally makes any false statement or misrepresentation or gives any false or misleading information for the purpose of obtaining a certificate or loan is guilty of an offence and liable on summary conviction to a fine not exceeding \$1,000.

(2) A prosecution for an offence may be instituted at any time within three years of the commission of the offence but not thereafter.

11. The Lieutenant Governor in Council may make regulations

5. Province to pay part of the interest on guaranteed loans.

6. Minors are bound by the bank loan.

7. Recovery of money paid by Province under a guarantee.

8. Power to enter into agreements.

9. Financial.

10. Offences and penalties.

11. Regulations.

- (a) specifying the form and content of the certificate and the terms and conditions under which it is granted,
- (b) defining “resident in Alberta”,
- (c) fixing the rate of interest payable by the Province on loans,
- (d) fixing the maximum rate of interest, the repayment of which the Province will guarantee on behalf of a student,
- (e) prescribing guidelines on which a certificate may be granted, including the amount and duration, and
- (f) prescribing the matters referred to in section 5.

12. This Act comes into force on the day upon which it is assented to.

