

1994 BILL 43

Second Session, 23rd Legislature, 43 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 43

STUDENTS LOAN GUARANTEE
AMENDMENT ACT, 1994

THE MINISTER OF ADVANCED EDUCATION AND
CAREER DEVELOPMENT

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 43

1994

STUDENTS LOAN GUARANTEE AMENDMENT ACT, 1994

(Assented to , 1994)

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

Amends RSA
1980 cS-25

1 *The Students Loan Guarantee Act is amended by this Act.*

2 *The title and chapter number are repealed and the following is substituted:*

STUDENT LOAN ACT

CHAPTER S-23.3

3 *Section 1 is amended*

(a) *in clause (a) by striking out "guaranteed by the Government" and substituting "under this Act";*

(b) *in clause (c) by adding "and Career Development" after "Education".*

4 *Section 3 is repealed and the following is substituted:*

Signatures
required on
certificates

3(1) A certificate must be signed

(a) by the chief executive officer of the Students Finance Board or a person designated in writing by the chief executive officer 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.

Explanatory Notes

1 Amends chapter S-25 of the Revised Statutes of Alberta 1980.

2 The title presently reads:

STUDENTS LOAN GUARANTEE ACT

3 Section 1(a) and (c) presently read:

1 In this Act,

(a) "certificate" means a certificate of eligibility for a loan guaranteed by the Government;

(c) "Minister" means the Minister of Advanced Education;

4 Section 3 presently reads:

3(1) When a credit institution makes a loan to a student in accordance with a certificate purporting to be issued to the student and signed

(a) by the chief executive officer of the Students Finance Board or a person designated in writing by the chief executive officer to sign certificates, and

(2) The signatures required under subsection (1)(a) may be imprinted on certificates in any manner.

Guaranteed
loans

3.1 When a credit institution gives a loan to a student in accordance with a certificate, the Government guarantees the repayment of the principal amount of the loan, and interest, unless the loan is given pursuant to an agreement entered into under section 8.

5 Section 4 is amended

(a) *in subsection (1) by striking out the words preceding clause (a) and substituting the following:*

Repayment
agreement

4(1) A person who has been given a loan, other than pursuant to an agreement entered into under section 8, shall

(b) *in subsection (2)(a) by striking out “section 3” and substituting “section 3.1”.*

6 Section 5 is amended

(a) *by renumbering it as section 5(1);*

(b) *in subsection (1) by striking out “section 3” and substituting “section 3.1”;*

(c) *by adding the following after subsection (1):*

(2) The Provincial Treasurer shall pay to a credit institution in respect of each loan given pursuant to an agreement entered into under section 8 interest on that loan in accordance with the agreement.

(b) by a person designated in writing by the chief administrative officer of the educational institution in which the student is enrolled,

and accepted in good faith by the credit institution, the Government hereby guarantees the repayment of the principal and interest.

(2) Certificates may be imprinted with the signatures required under subsection (1)(a).

5 Section 4 presently reads:

4(1) A person who has borrowed money, the repayment of which is guaranteed pursuant to this Act, shall

(a) at the request of the credit institution to which repayment is guaranteed,

(b) at the request of the Minister, or

(c) pursuant to the terms or conditions contained in the certificate,

enter into an agreement with the credit institution in the form determined by the Students Finance Board providing for the repayment of the principal amount borrowed and interest on it.

(2) On an agreement being entered into pursuant to this section

(a) any guarantee given pursuant to section 3 terminates in respect of a loan or loans which are the subject of the agreement, and

(b) the Government hereby guarantees repayment to the credit institution of the principal amount owing as shown in the agreement and interest on it.

6 Section 5 presently reads:

5 The Provincial Treasurer shall pay to a credit institution in respect of each loan contracted by a student and guaranteed by the Government under section 3, interest on that loan on the terms, in the manner and at the rate prescribed in the regulations.

7 *Section 7 is repealed and the following is substituted:*

Right to collect
from student

7 Unless an agreement entered into under section 8 provides otherwise, when a student fails to make a required payment on a loan under this Act and the Government makes the payment to a credit institution under a guarantee, the Government has the same rights to collect the amount paid from the student as the credit institution would have had if the Government had not made the payment.

8 *Section 8 is amended*

(a) *by renumbering it as section 8(1);*

(b) *in subsection (1)*

(i) *in clause (a) by striking out “to assist in carrying out this Act” and substituting “or any credit institution to establish, and to facilitate the administration or enforcement of, financial assistance programs for students”;*

(ii) *in clause (b) by striking out “to facilitate the administration or enforcement of this Act” and substituting “to establish, and to facilitate the administration or enforcement of, financial assistance programs for students”;*

(c) *by adding the following after subsection (1):*

(2) An agreement entered into pursuant to an arrangement under subsection (1) may provide for

(a) the payment by students or by the Government, or both, of interest on loans,

(b) a guarantee by the Government of all or part of a loan or for no guarantee,

(c) the payment of risk premiums by the Government to credit institutions,

(d) any other obligations of credit institutions, students and the Government in relation to loans, and

(e) any other matter the parties to the agreement consider appropriate.

7 Section 7 presently reads:

7 When the Government pays money under a guarantee the Government is subrogated to the rights of the credit institution.

8 Section 8 presently reads:

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 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.*