

Chapter 348

1971 REPLACEMENT PART

Student Loans and Scholarships

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LOANS

348.010 Higher Education Student Loan Fund; student loans under terms of certain federal statutes. (1) There is established in the General Fund of the State Treasury a Higher Education Student Loan Fund, which shall consist of all moneys made available to the State Board of Higher Education for student loan purposes by state appropriations under terms of the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto. All moneys in such special fund hereby are appropriated for the purpose of granting student loans under the terms established by the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto.

(2) The repayment in whole or part of any student loan made under terms of the National Defense Education Act of 1958 and amendments thereto, under terms of the Health Professions Educational Assistance Act of 1963 and the Nurses Training Act of 1964 and amendments thereto, shall be made pursuant to the provisions of the applicable federal statutes and repayment to the Higher Education Student Loan Fund shall be made in accordance with applicable federal statutes; all funds received under the federal statutes cited in this section and all state matching funds are hereby continuously appropriated for the purpose for which the funds are made available to the State of Oregon.

(3) Disbursements from the Higher Education Student Loan Fund shall be made as directed by the State Board of Higher Education. The board shall keep a record of all moneys deposited in such fund. The record shall indicate by separate cumulative accounts the source from which the moneys are derived and the state institutions of higher education against which each withdrawal is charged.

[Formerly 351.570]

348.040 Definitions for ORS 348.040 to 348.070. As used in ORS 348.040 to 348.070, unless the context requires otherwise:

(1) "Eligible student" means a person who has been a resident of this state for at

least one year prior to application for a loan under ORS 348.040 to 348.070:

(a) Who is enrolled in or has applied for enrollment in a qualified school;

(b) Who has demonstrated a satisfactory level of achievement in the high school or other school on the record of which the application for enrollment is based or in which he is enrolled; and

(c) Who can show the necessity for financial assistance in order to continue his education.

(2) "Qualified school" means a school within this state which is a:

(a) Four-year, nonprofit, generally accredited institution of higher education;

(b) Accredited public or private community college or education center, or one recognized by a state educational agency;

(c) Vocational school that is approved by the Superintendent of Public Instruction; or

(d) Institution which is, in the opinion of the State Scholarship Commission, comparable to such institutions, colleges, centers or schools.

When the State Scholarship Commission certifies that the course is not available within this state, a qualified school may include an institution, college, center or school not located in this state.

[1965 c.532 §1]

348.050 Student loans from Common School Fund; terms and conditions. (1) Upon approval of the loan application of an eligible student by the State Scholarship Commission, the Division of State Lands may loan an amount from the Common School Fund to the student in compliance with ORS 348.040 to 348.070. The loan shall be evidenced by a written obligation but no additional security shall be required.

(2) Loans granted under ORS 348.040 to 348.070 to eligible students by the division shall:

(a) Not exceed \$1,000 in a single academic year to an undergraduate student.

(b) Not exceed \$1,500 in a single academic year to a graduate or professional student.

(c) Not exceed \$7,500 for all loans made to a student under ORS 348.040 to 348.070.

(d) Require the payment of seven percent interest per annum on the unpaid balance from the date of the loan, to be paid annually from the date of the loan.

(3) Repayment of the principal on loans shall not be required to be commenced sooner than nine months after the student's graduation or other termination of his education nor to be completed sooner than 60 months after repayment begins. However, nothing in this section is intended to prevent repayment at an earlier date than provided in this section or to prohibit the division, with the consent of the State Scholarship Commission, from extending the repayment period to a date other than permitted by this subsection. [1965 c.532 §2; 1969 c.573 §3]

348.060 [1965 c.532 §3; repealed by 1971 c.577 §3]

348.070 List of suitable vocational schools. To assist the State Scholarship Commission and the Division of State Lands in determining the qualification of schools, the Superintendent of Public Instruction shall maintain a listing of vocational schools offering vocational and technical training that meets the occupational needs of the student. [1965 c.532 §4]

348.080 [1965 c.532 §10; repealed by 1967 c.477 §5]

348.090 Loans guaranteed by state agency; payment of interest. In addition to and not in lieu of student loans authorized pursuant to ORS 348.040 to 348.070, the Division of State Lands may make loans to students who are Oregon residents if the loans are guaranteed by a state agency. The terms, conditions and rates of interest of such loans may be determined by the division so as to take advantage of any federal statute providing for full or partial payment of interest on such loans. [1967 c.477 §4]

SCHOLARSHIPS AND GRANTS

348.205 Policy. It is the intention of the Legislative Assembly to establish two types of student aid programs for those enrolled in community colleges and institutions of higher education. The need grant program shall be based on the student's financial situation. The scholastic grant program will be based on the student's financial need and his academic aptitude and achievement. Existing programs will be discontinued as the new programs are funded. [1971 c.735 §1]

348.210 Scholarships at Eastern Oregon College and community colleges; scholarships for certain foreign students. (1) In addition

to any other scholarships provided by law, the State Scholarship Commission may award scholarships in Eastern Oregon College, not to exceed two and one-half percent of the enrollment therein, to resident undergraduate students applying for enrollment in the college or who are pursuing courses therein. The scholarships shall be awarded upon the basis of a record of high intellectual standing and deportment in the school or institution where the applicant has received or is receiving preparatory training, the necessity for financial assistance and other qualifications of such nature that the awarding of scholarships will operate not only to the advantage of the applicant but to the people of Oregon. No scholarships so awarded shall exceed in value the amount of the tuition and other fees, including the fees which are levied against the recipient of the scholarship by the State Board of Higher Education at the college.

(2) The commission may award cash scholarships not exceeding \$300 or the amount of tuition and all fees, whichever is less, to resident students enrolled or to be enrolled in a community college located in this state, on the basis of need for financial assistance.

(3) The commission may award tuition and fee-exempting scholarships not exceeding the amount of tuition and all fees to students from foreign nations who are enrolled in state institutions of higher education as of October 1, 1971.

[Formerly 351.120 and then 351.605; 1967 c.530 §6; 1971 c.735 §2]

348.220 [Formerly 351.610; amended by 1967 c.530 §7; repealed by 1971 c.735 §10]

348.230 Scholarships at institutions of higher education and community colleges; qualified applicants; renewals. (1) In addition to any other scholarships provided by law, the State Scholarship Commission may award to qualified residents of this state scholarships in any two-year or four-year, nonprofit, generally accredited institution of higher education located in this state and in any community college located in this state.

(2) A qualified applicant is one who has an achievement of high intellectual standing and deportment in the school or institution on the records of which the application is based, and who demonstrates, to the satisfaction of the commission, that he has superior capacity to profit by post-high school education.

(3) If the recipient of a scholarship under this section meets the standards for renewal

of that scholarship, the scholarship may be renewed, upon application of the recipient, until the recipient has received a total of four undergraduate scholarship years under this section or until he has completed his undergraduate course of study, whichever is less.

(4) Nothing in subsection (3) of this section shall be construed to mean that the commission may not increase or reduce the amount of the scholarship upon application for renewal.

(5) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

[Formerly 351.620; 1971 c.735 §3]

348.240 [Formerly 351.625; repealed by 1971 c.735 §10]

348.250 Procedure for awarding scholarships under ORS 348.230. (1) Scholarships established under ORS 348.230 shall be awarded by the State Scholarship Commission in the manner provided in this section.

(2) Prior to March 1 each year, any person interested in obtaining a scholarship established under ORS 348.230 may apply to the commission for a scholarship.

(3) The commission shall screen or cause to be screened the applications and shall determine for each available scholarship the person best qualified to receive that scholarship. A qualified applicant is eligible to receive a scholarship established under ORS 348.230 if:

(a) His financial resources are such that in the opinion of the commission financial aid is warranted although perhaps not absolutely necessary; and

(b) He plans to be a full-time student at the institution of higher education where the scholarship is to be used.

(4) The commission shall not discriminate for or against any applicant for a scholarship because of his race or religion.

(5) Nothing in ORS 348.210 to 348.350 and 348.505 to 348.600 shall be construed to require any institution to admit a scholarship award winner or to attempt to control or influence the policies of the institution.

[Formerly 351.630]

348.260 Grants for students in institutions of higher education, community colleges and hospital schools of nursing. (1) In addition to any other form of student financial

aid authorized by law, the State Scholarship Commission may award grants to qualified residents of this state in any two-year or four-year, nonprofit, generally accredited institution of higher education located in this state, in any community college located in this state and any hospital school of nursing located in this state and accredited by the National League for Nursing.

(2) A qualified applicant for a grant is one who meets the academic requirements required for admission to the institution or college he plans to attend but whose financial capacity and that of his family to contribute to the costs of his education are not adequate to meet such costs, including tuition, fees and living expenses, at the institution or college he plans to attend, as determined by the State Scholarship Commission.

(3) If the student who receives a grant under this section meets the standards for renewal of the grant, the grant may be renewed upon application until the student has received the total of four undergraduate years in the institution or has completed the course of study at the school of nursing.

(4) A student who receives a grant under this section must attend the institution, college or school upon which his grant application is based unless the State Scholarship Commission authorizes him to use the grant at a different institution, college or school.

(5) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(6) No grant awarded under this section shall exceed 50 percent of the student's financial need.

(7) Notwithstanding any other provision of this section and ORS 348.205, 348.210 and 348.230, no student attending a private college shall receive a scholarship of greater dollar value than the maximum he could receive if he were attending a public college or university taking comparable courses.

[1971 c.735 §4]

348.305 [1969 c.624 §1; repealed by 1971 c.735 §10]

348.315 [1969 c.624 §2; repealed by 1971 c.735 §10]

348.325 [1969 c.624 §3; repealed by 1971 c.735 §10]

348.335 [1969 c.624 §4; repealed by 1971 c.735 §10]

348.345 [1969 c.624 §5; repealed by 1971 c.735 §10]

- 348.355** [1969 c.624 §6; repealed by 1971 c.735 §10]
348.365 [1969 c.624 §8; repealed by 1971 c.735 §10]
348.375 [1969 c.624 §9; repealed by 1971 c.735 §10]

STATE SCHOLARSHIP COMMISSION

348.505 "Financial aid" defined. As used in ORS 348.505 to 348.620, "financial aid" includes loans, grants, scholarships, work opportunities and other forms of financial aid to assist students in completing their post-high school education. [1967 c.430 §2]

348.510 State Scholarship Commission; term; vacancy; confirmation. (1) There hereby is created a State Scholarship Commission consisting of five members, appointed by the Governor.

(2) The term of office of a member of the commission is four years, and, after confirmation of the appointment by the Senate, the member shall serve at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor to succeed the member whose term is expiring. A successor appointed for a full term shall assume his duties on July 1 following the appointment. A member is eligible for reappointment. In case of a vacancy on the commission for any cause, except where the vacancy is caused by the normal expiration of a member's term, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The appointment of a member of the commission is subject to confirmation by the Senate in the manner provided in ORS 171.570. If an appointment is made in the interim between legislative sessions, the Senate shall act through the Committee on Executive Appointments provided by ORS 171.560 in the manner provided in that section; and the member so appointed is subject to confirmation by the Senate when it next convenes.

(4) One member of the commission shall be a representative of the State Board of Higher Education, selected from a list of not less than three names submitted by the board. One member of the commission shall be a representative of the State Board of Education, selected from a list of not less than three names submitted by the board. Other members of the commission shall be

citizens of the state chosen for their knowledge of and interest in education, but these other members shall not be persons employed by or members of the governing board of any institution of higher education located in the state.

[Formerly 351.635; amended by 1967 c.430 §3; 1969 c.695 §5]

348.520 Duties. The State Scholarship Commission shall:

(1) Make available to qualified persons financial aid from financial sources available to the commission.

(2) Determine qualifications of persons to receive financial aid.

(3) Maintain reports and records on persons applying for and receiving financial aid from the commission.

(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.

(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.

(6) Encourage the establishment of financial aid programs by private agencies.

(7) Collect and disseminate information pertaining to all types of available financial aid.

(8) Serve as an advisory council to the Educational Coordinating Council.

[Formerly 351.640; amended by 1967 c.430 §4]

348.530 Powers. The State Scholarship Commission may:

(1) Negotiate for and contract with private and governmental agencies for the establishment of financial aid programs.

(2) Receive gifts of any type, including gifts of stock and real property, for the purpose of establishing, continuing and increasing financial aid.

(3) Administer any form of financial aid submitted to and accepted for administration by the commission.

(4) Authorize payment from funds appropriated therefor, of costs, commissions, attorney fees and other reasonable expenses, including refund of overpayment of fees, which are related to and necessary for making and protecting guaranteed loans and recovering moneys and loans and management of property acquired in connection with such loans.

(5) Sue and be sued.

(6) Adopt such rules as may be necessary to carry out the provisions of ORS 348.505 to 348.620.

(7) Cooperatively coordinate all types of financial aid activities.

(8) Establish a State of Oregon scholar program to recognize students with outstanding academic achievement and other demonstrated attributes. The students will not necessarily receive financial aid.

(9) Guarantee loans by eligible lending institutions to student residents enrolled or accepted for enrollment under the provisions of the Higher Education Act of 1965 (Public Law 89-329) and the National Vocational Student Loan Insurance Act of 1965 (Public Law 89-287), and determine the dollar volume of each type of loan to be accepted for guarantee purposes.

[Formerly 351.645; amended by 1967 c.430 §5]

348.540 Officers of commission; quorum; meetings. (1) The commission shall select one of its members as chairman, and another as vice chairman, for such terms and with such powers and duties necessary for the performance of the functions of such offices as the commission shall determine.

(2) A majority of the commission constitutes a quorum for the transaction of business.

(3) The commission shall meet at the call of the chairman or of a majority of the members of the commission.

[Formerly 351.650]

348.550 Compensation and expenses of commission members. A member of the commission is entitled to compensation and expenses as provided in ORS 292.495.

[Formerly 351.655; amended by 1969 c.314 §24]

348.560 Staff; office space. Subject to any applicable provisions of the State Merit System Law, the commission may employ and fix the compensation of any employes it deems necessary for the effective conduct of the work under its charge. The commission may also arrange with the State System of Higher Education for use of staff and office space under the jurisdiction of the State System of Higher Education.

[Formerly 351.660]

348.570 State Scholarship Commission Fund; Student Loan Guarantee Fund. (1) There hereby is established in the State

Treasury a fund, separate and apart from the General Fund, to be known as the "State Scholarship Commission Fund" for investment as provided by ORS 293.701 to 293.776 and for the payment of the expenses of the commission in carrying out the purposes of ORS 348.210 to 348.250 and 348.505 to 348.600.

(2) There hereby is established in the State Treasury a fund, separate and apart from the General Fund to be known as the "Student Loan Guarantee Fund," which may be invested in the same manner as the State Scholarship Commission Fund. A trust account shall be established within this fund to receive funds from federal, state or private sources for the purpose of guarantying payment of loans made by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution under the provisions of the Higher Education Act of 1965 (Public Law 89-329). An administrative account shall also be established within this fund to which student loan fees, grants, or donations from federal, state or private sources for administrative expenses of guarantying student loans shall be deposited. The trust account and the administrative account, including the respective interest earnings on account balances, if any, are continuously appropriated to the commission for those purposes for which such funds were provided to, received or collected by the commission. Funds may be transferred from the administrative account to the trust account for the purpose of guarantying loans and for reimbursing lending institutions for defaulted loans.

(3) Out of the moneys in the General Fund, there is continuously appropriated to the State Scholarship Commission such sums as are necessary, but not to exceed \$240,000 in total, to guarantee payment of loans made by eligible lending institutions to student residents of the State of Oregon who are enrolled or accepted for enrollment at any eligible institution under the provisions of the Higher Education Act of 1965 (Public Law 89-329). Funds may be disbursed from this appropriation on order of the State Scholarship Commission to reimburse eligible lending institutions where the lendee has failed to repay the principal sum of any loan specifically guaranteed by the appropriation made by this subsection.

[Formerly 351.665; amended by 1967 c.335 §41; 1967 c.430 §§6, 7; 1969 c.573 §4]

348.575 Crediting of late loan repayments. The amount of any loan payments that are paid after the State Scholarship Commission has disbursed funds from any guaranty funds under its jurisdiction to reimburse a lending institution which the lendee has failed to repay on time shall be credited to the guaranty funds, the Student Loan Guaranty Fund or the appropriation under subsection (3) of ORS 348.570 respectively, from which the reimbursement was made.

[1969 c.573 §2]

348.580 Use of gifts or funds received by commission. All gifts or scholarship grant funds received by the commission shall be placed in the hands of the State Treasurer, who is designated as the custodian thereof and who may hold, in the manner provided by law, the principal and interest on the gifts and grants. Funds may be withdrawn periodically by the commission to make payments upon scholarships awarded by the commission.

[Formerly 351.670; amended by 1967 c.335 §42]

348.590 Continuous appropriation of certain funds. All funds for and relating to scholarships received by the State Scholarship Commission pursuant to federal grant or from any other source, except moneys appropriated from the State Treasury for a specified period of time, hereby are continuously appropriated to the commission for the purposes for which such funds were provided and received by the commission.

[Formerly 351.672]

348.600 Rules and regulations. In accordance with any applicable provisions of ORS chapter 183, the commission may make such reasonable rules and regulations as are necessary or proper to carry out the provisions of ORS 348.210 to 348.250 and 348.505 to 348.600.

[Formerly 351.675]

348.610 [1967 c.430 §8; repealed by 1971 c.577 §3]

348.620 Loan cancellation insurance. (1) The State Scholarship Commission may obtain loan cancellation insurance for any person holding a loan under this section and ORS 348.505 to 348.530 and 348.570.

(2) Such insurance shall insure the life of the student who borrows under this section and ORS 348.505 to 348.530 and 348.570 for the amount of the principal and interest due on the loan and the State of Oregon shall be

named as the beneficiary. If the borrower dies before repaying the loan, the insurance shall be used to pay the balance of the loan and the commission shall issue a satisfaction of the obligation.

(3) The Executive Department shall procure bids for the purchasing of insurance in compliance with the laws governing the purchase and furnishing of services to state agencies.

[1967 c.430 §9; 1971 c.577 §2]

MISCELLANEOUS

348.805 Loan obligations enforceable against minor. (1) As used in this section:

(a) "Person" means individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

(b) "Educational institution" means any post-secondary educational institution approved or accredited by the Northwest Association of Secondary and Higher Schools, by its regional equivalent, or by the appropriate official, department or agency of the state or nation in which the institution is located and which is:

(A) A four-year college or university;

(B) A junior college or community college; or

(C) A technical, vocational or professional school.

(c) "Educational loan" means a loan or other aid or assistance for the purpose of furthering the obligor's education at an educational institution.

(2) Notwithstanding any other provision of law, any written obligation made by any minor in consideration of an educational loan received by him from any person shall be as valid and binding as if he had, at the time of making and executing the obligation, attained the age of majority, but only if prior to the making of the educational loan an educational institution has certified in writing to the person making the educational loan that the minor is enrolled, or has been accepted for enrollment, in the educational institution.

(3) Any obligation mentioned in subsection (2) of this section may be enforced in any action or proceeding against such person in his name and shall be valid, in so far as the issue of age is concerned, without the consent thereto of the parent or guardian of such person. Such person may not disaffirm the

obligation because of age nor may such person interpose in any action or proceeding arising out of the educational loan the defense that he is, or was, at the time of making or executing the obligation, a minor.

(4) Any parent or legal guardian who did not consent to guarantee or otherwise assure performance of the obligation mentioned

in subsection (2) of this section shall not be liable for payment of such obligation.

[1969 c.182 §1; 1971 c.577 §1]

PENALTIES

348.990 Penalties. Violation of ORS 348.210 is a misdemeanor.

[Derived from 351.990]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Robert W. Lundy, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,
on December 1, 1971.

Robert W. Lundy
Legislative Counsel

CHAPTERS 349 AND 350

[Reserved for expansion]