

1975 Senate Bill 462

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CHAPTER 118, Laws of 1975

AN ACT to create 20.235 (1) (gm) and (gn), 25.17 (3) (bc) and 39.34 of the statutes, relating to establishing a medical school loan program and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.235 (1) (gm) and (gn) of the statutes are created to read:

20.235 (1) (gm) *Medical student loans.* The principal and interest repaid on undergraduate medical student loans made under s. 39.34 for repayment of advances by the investment board. The state auditor may annually audit the portfolio of undergraduate medical student loans and notes thereon in the possession of the higher educational aids board and report his determination of the current condition of the student notes receivable portfolio to the investment board, the higher educational aids board and the department of administration.

(gn) *Medical student loans.* All moneys received as an advance from the investment board under s. 25.17 (3) (bc) to be used for loans to undergraduate medical students under s. 39.34.

SECTION 2. 25.17 (3) (bc) of the statutes is created to read:

25.17 (3) (bc) 1. Subject to subd. 2, make sums available, at the request of higher educational aids board, for the purpose of making loans to needy students of the medical school of the university of Wisconsin and the medical college of Wisconsin under s. 39.34. Such sums shall be made available from July 1, 1975, to June 30, 1977, notwithstanding sub. (61) and shall not exceed \$87,500 for students of the medical college of Wisconsin and \$112,500 for students of the medical school of the university of Wisconsin outstanding at any one time from July 1, 1975, to June 30, 1976, and \$175,000 for students of the medical college of Wisconsin and \$225,000 for students of the medical school of the university of Wisconsin outstanding at any one time from July 1, 1976, to June 30, 1977, of the balances of the general fund. Such loans shall be made by the higher educational aids board from the appropriations under s. 20.235 (1) (gn). Despite the specific provisions of sub. (1), the responsibility for collection of the interest and principal on such loans to students shall rest in the higher educational aids board and the function of the investment board shall be limited to advancing funds to the higher educational aids board, based upon the certificates of

the higher educational aids board as to the current status of the student loans made, due and collectible under s. 39.34 and to periodically receiving from the appropriations made by s. 20.235 (1) (gm) payments of principal and interest on the advances made to the higher educational aids board, interest to be computed monthly at 7% per annum on the unpaid principal balance of the advances and in accordance with the time schedule provided in s. 39.34.

2. A cumulative total of not more than \$400,000 may be advanced under this paragraph upon the request of the higher educational aids board. However, the investment board shall advance such funds only when the joint committee on finance determines that the liquidity of the general fund is not in danger to a point which will not permit this state to pay its obligations as they arise, and subsequently approves advance of such funds based upon such determination.

SECTION 3. 39.34 of the statutes is created to read:

39.34 Medical student loan program. (1) There is established, to be administered by the board, an undergraduate medical student loan program for resident students enrolled in the university of Wisconsin medical school and the medical college of Wisconsin.

(2) To be eligible the student must have first reached the maximum borrowing limits available under ss. 39.32 and 39.33.

(3) Loans under this section shall be granted on the basis of financial need and shall not exceed \$500 during any one academic year.

(4) The student shall pay no interest on the loan while enrolled as an undergraduate medical student and 7% during the repayment period which begins 9 months after the student graduates or discontinues to be an enrolled undergraduate medical student.

(5) The repayment period for loans made under this section together with loans made to the same student under ss. 39.32 and 39.33 shall not exceed 10 years.

(6) The board shall establish such other administrative procedures as are necessary to carry out this section consistent with ss. 39.32 and 39.33.
