

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1145 Session of
1995

INTRODUCED BY BISHOP, ROBINSON, HORSEY, TIGUE, YOUNGBLOOD AND
THOMAS, MARCH 13, 1995

REFERRED TO COMMITTEE ON EDUCATION, MARCH 13, 1995

AN ACT

1 Amending the act of August 7, 1963 (P.L.549, No.290), entitled,
2 as amended, "An act creating the Pennsylvania Higher
3 Education Assistance Agency; defining its powers and duties;
4 conferring powers and imposing duties on the Governor,
5 President Pro Tempore of the Senate, Speaker of the House of
6 Representatives, Superintendent of Public Instruction and the
7 Department of Auditor General; and making appropriations,"
8 providing for discharge of student loans.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. The act of August 7, 1963 (P.L.549, No.290),
12 referred to as the Pennsylvania Higher Education Assistance
13 Agency Act, is amended by adding a section to read:

14 Section 7.2. Discharge of Loans.--The contract for the
15 repayment of a student loan is discharged if all of the
16 following apply:

17 (1) The proceeds of the loan have been paid to an
18 educational institution in the form of tuition.

19 (2) The student who received the loan has not received the
20 educational credit for the tuition nor a refund of the tuition.

1 A pro rata discharge may be effected under this clause.

2 (3) The educational institution has been discharged in
3 bankruptcy.

4 Section 2. The addition of section 7.2 of the act shall
5 apply retroactively to January 1, 1988.

6 Section 3. This act shall take effect in 60 days.