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No 12 of 2015

**EDUCATION LOAN AUTHORITY (AMENDMENT)
ACT, 2015**

Arrangement of Sections

Section	
1.	Short title and commencement.....2
2.	Repeal and replacement of section 2 of the principal Act.....2
3.	Amendment of section 3 of the principal Act.....3
4.	Repeal and replacement of section 4 of the principal Act.....3
5.	Insertion of new sections 14, 15, 16, 17, 18, 19, 20 and 21 into the principal Act.....5
6.	Amendment of the Schedule to the principal Act.....9



No. 12 of 2015

EDUCATION LOAN AUTHORITY (AMENDMENT) ACT, 2015

**AN ACT TO AMEND THE EDUCATION LOAN AUTHORITY ACT TO
PROVIDE FOR THE RESTRUCTURING OF THE AUTHORITY; TO
REPEAL THE EDUCATIONAL GUARANTEE FUND ACT AND FOR
CONNECTED MATTERS**

[Date of Assent - 12th June, 2015]

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Education Loan Authority Act¹, may be cited as the Education Loan Authority (Amendment) Act, 2015.
- (2) This Act shall come into force on a date to be appointed by the Minister by notice published in the *Gazette*.

2. Repeal and replacement of section 2 of the principal Act.

Section 2 of the principal Act is repealed and replaced as follows —

“2. Interpretation.

In this Act —

“**approved institution**” means an institution of higher education approved by the Minister;

“**Authority**” means the Education Loan Authority established under section 3;

“**Bank**” means the Bank of The Bahamas International Limited;

“**Board**” means the Board of Directors of the Education Loan Authority;

¹(Vol. I, (Ch. 46B))

"borrower" means a person who is granted a loan by the Authority for the purposes of this Act and includes —

- (a) a parent or guardian of the student to whom the loan relates;
- (b) the endorser of a deed, agreement, promissory note, or other instrument, issued by the Authority as security for the loan;

"education sector policy" means the policy of the Minister for educational development referred to in section 14;

"Government" means the Government of the Commonwealth of The Bahamas;

"loan" means a loan granted by the Authority which complies with section 15;

"Loan Support Unit" or **"Unit"** means the unit within the Authority established by section 17;

"member of the Education Loan Authority" means in relation to the Schedule a member of the Board;

"Minister" means the Minister responsible for Education; and

"repealed Act" means the Educational Guarantee Fund Act (*Ch. 46A*).".

3. Amendment of section 3 of the principal Act.

Section 3 of the principal Act is amended by —

- (a) the insertion immediately after subsection (1) of the following new subsections —
 - "(2) There shall be a Board of Directors of the Authority.
 - (3) The Board is the governing body of the Authority and shall perform the functions and duties and exercise the powers of the Authority.";
- (b) renaming the existing subsection (2) as subsection (4) and inserting immediately after the word "Authority" the words "and the Board of Directors".

4. Repeal and replacement of section 4 of the principal Act.

Section 4 of the principal Act is repealed and replaced as follows —

"4. Functions, duties and powers of the Authority.

- (1) The functions, duties and powers of the Education Loan Authority are to —

- (a) process applications made in accordance with section 15 for the grant of a loan under this Act;
 - (b) require an applicant to provide such information as the Authority determines necessary to process the application;
 - (c) conduct a means test for each applicant as the Authority determines to be required;
 - (d) grant, modify and revoke loans in accordance with the provisions of this Act and the education sector policy;
 - (e) advise the Minister on the status of loans;
 - (f) formulate and implement standards and criteria for grants and disbursements of loans having regard to the education sector policy;
 - (g) regulate, allocate, and manage the use of the resources available under this Act for the grant of loans to approved institutions;
 - (h) publish information, reports and other documents;
 - (i) raise moneys required to fund the grant of loans by the Authority;
 - (j) manage and administer through the Loan Support Unit the recovery of delinquent loans and receivables; and
 - (k) assume all liabilities of the Government to the Bank, and recover all receivables, in relation to the guarantee of loans under the repealed Act which are outstanding on the date this Act comes into force.
- (2) The Authority, in carrying out its functions, duties and powers under this Act —
- (a) shall at all times act in a manner that is timely, transparent, non-discriminatory, and consistent with the requirements, aims and objectives of the education sector policy;
 - (b) may do all acts as appear to the Authority to be requisite, advantageous or convenient for, or incidental to, the proper discharge of such functions, duties and powers;
 - (c) may, alone or in association with any other person, carry on any activities in that behalf.”.