HOUSE DOCKET, NO. 4217 FILED ON: 3/20/2009

HOUSE . . . . . No. 3902

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act establishing the Massachusetts Student Loan Authority..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding any law to the contrary, the treasurer may contract a financial institution or consortium of financial institutions chartered or located in Massachusetts to establish a fund or funds to be known as the Massachusetts College Savings Fund. Such financial institution or institutions shall be known as the fund managing agent. The managing agent may contract with such investment managers and servicing agents as necessary for the prudent and efficient operation of the Fund. The treasurer may authorize, subject to the approval of the treasury board, investment vehicles suitable for such Fund or funds. Securities shall be insured against default to the extent appropriate according to the credit rating of each eligible security in the Fund or funds.

Shares in the Fund or funds shall be sold to parents and other individuals in order to facilitate their saving for college expenses. To ensure that the shares are readily available to those persons who wish to obtain them, any financial institution chartered or located in Massachusetts may participate in the program through purchases of shares through the fund managing agent.

For the purposes of this section, the term “financial institution” or “financial institutions” shall include: banking, savings institutions, trust subsidiary companies, investment banking companies, brokerage companies, insurance companies and credit unions.