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## **Act on the Establishment of the Korea Scholarship Foundation**

[Enforcement Date 2. Oct, 2009] [Act No.9617, 1. Apr, 2009, Other Laws  
and Regulations Amended]

Ministry of Education, Science and Technology ()02 - 2100 - 6284,6277~78

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### CHAPTER 1 GENERAL PROVISIONS

#### Article 1 (Purpose)

The purpose of this Act is to establish the Korea Scholarship Foundation and allow any person with sufficient qualifications and abilities for higher education to study without regard to their economic circumstances through the construction of a customized school expenses support system with the effective operation of a state scholarship fund.

#### Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term "customized school expenses support" means supporting school expenses in consideration of school records and major fields of students' study, established by types of higher education institutes and the household incomes of students/parents;
2. The term "higher education institutes" means any of the following:
  - A. Schools pursuant to Article 2 of the Higher Education Act
  - B. Specialized universities pursuant to Article 31, Paragraph (4) of the Lifelong Education Act
  - C. Technical universities pursuant to Article 2, Paragraph (1) of the Technical University Act
  - D. Foreign universities, (including graduate schools)
3. The term "credit guarantee" means the activity which guarantees the debt originated from loans for school expenses by university students from the Korea Scholarship Foundation or financial institutions pursuant to Act 6 with the charge of the credit guarantee account for school expense loans pursuant to Article 31;
4. The term "financial institution" means a financial institution pursuant to Article 2, Paragraph (1), Subparagraph 2 of the Banking Act and other institutions as

prescribed by Presidential Decree;

5. The term "university student" means a student, (including graduate school students), who attend higher education institutes, (including cases of prearranged entrance or returning to school).

### **Article 3 (Object of School Expenses Support)**

The object of school expenses support shall be limited to university students, provided, that university students eligible for a school expenses loan from financial institutions with the guarantee of school expenses guarantee account established pursuant to Article 31 shall be students who attend the higher education institutes of Article 2, Subparagraph 2, Items (a) to (c).

### **Article 4 (Scope of School Expenses Support)**

The scope of school expenses support for university students shall be registration fees and living expenses, such as costs of accommodation, purchasing expenses of textbooks, language study, and transportation expenses.

### **Article 5 (Duty of the State)**

The state shall establish and enforce the necessary policy such as the expansion of financial resources for school expenses support to achieve the purpose pursuant to Article 1.

## **CHAPTER 2 Korea Scholarship Foundation**

### **Section 1 General Provisions**

**Article 6 (Establishment of the Korea Scholarship Foundation)** (1) The Korea Scholarship Foundation, (hereinafter referred to as the "Foundation"), shall be established to effectively perform the school expenses support.

(2) The Foundation shall be a corporation.

### **Article 7 (Registration of Establishment)**

The Foundation shall be established by effecting the registration of the Foundation in the place in which its head/main office is located.

**Article 8 (Articles of the Foundation)** (1) The matters of the following subparagraphs shall be stated in the Articles of the Foundation:

1. Purpose
2. Name
3. The place in which its head/main office is located
4. Matters concerning business
5. Matters concerning the board of directors
6. Matters concerning directors and staff;
7. Matters concerning property and accounting
8. Matters concerning public announcements; and
9. Matters concerning the amendment of Articles of the Foundation.

(2) When the Foundation changes the Articles of the Foundation, it shall obtain the prior authorization of the Minister of Education, Science, and Technology.

## **Section 2 Directors**

**Article 9 (Directors)** (1) No more than 15 directors, including the chief director, and an auditor shall be appointed in the Foundation.

(2) The chief director shall be appointed by the Minister of Education, Science, and Technology among the persons who have been nominated by the director nomination committee, which is established in the Foundation pursuant to Article 29 of the Act on the Management of Public Agencies.

(3) Directors except for the chief director shall follow the articles prescribed by the Act on the Management of Public Agencies and Articles of the Foundation.

(4) The term of office of the chief director shall be 3 years and the term of office of a director and an auditor shall be 2 years, but each may be continuously reappointed on a yearly basis.

(5) The directors, except for the chief director, numbering no more than 3 directors and one auditor, shall be part - time. Part - time directors shall not be paid remuneration, provided, that any actual expenses may be compensated.

**Article 10 (Duty of Directors)** (1) The chief director represents the Foundation, controls the overall affairs of the Foundation, and supervises the employees belonging

thereto.

(2) Standing directors shall divide the affairs of the Foundation pursuant to the matters prescribed by Articles of the Foundation, and if the chief director is unable to perform the affairs due to any inevitable reason, the Standing director prescribed by the Articles of the Foundation shall act as the chief director on said affairs.

(3) The auditor shall audit the property and accounting and the state of conducting affairs, and report the results to the Minister of Education, Science, and Technology and the board of directors.

**Article 11 (Cause of Disqualification of an Officer or an Employee)** (1) Persons falling under the cause of disqualifications of any of the subparagraphs of Article 33 of the State Public Officials Act shall not be an officer or an employee of the Foundation.

(2) The officer or employee of the Foundation falling under one of the cause of disqualifications of any of the subparagraphs of Article 33 of the State Public Officials Act shall retire.

**Article 12 (Board of Directors)** (1) The board of directors shall be established to deliberate and resolve the important matters of the Foundation, such as the preparation of a support plan for customized school expenses, etc.

(2) The board of directors shall consist of directors, including the chief director.

(3) The chief director shall convoke the board of director and preside over the board's meetings, and if the chief director is unable to perform the affairs due to any inevitable reason, the Standing director prescribed by the Articles of the Foundation shall act as the chief director on said affairs.

(4) The board of director shall be convoked in case the chief director deems the necessity or more than one thirds of total directors requests convocation to the chief director.

(5) The board of directors shall commence deliberations with the attendance of a majority of the total directors and make a decision with a concurrent vote of a majority of those present.

(6) The auditor may state his/her opinions while attending a meeting of the board of directors.

### **Article 13 (Appointment of Employees)**

The employees of the Foundations shall be appointed by the chief director under the Articles of the Foundation.

### **Article 14 (Application Mutatis Mutandis of the Civil Act)**

With respect to matters pertaining to the Foundation not prescribed by this Act and the Act on the Management of Public Agencies, the provisions of the Civil Act concerning incorporated Foundations shall apply mutatis mutandis.

## **Section 3 Business**

### **Article 15 (Business Year)**

The business year of the Foundation shall conform to that of the Government's.

**Article 16 (Business)** (1) The Foundation shall run the businesses of the following subparagraphs to achieve the purpose of its establishment:

1. School expenses support business and effectiveness analysis
2. Customized school expenses support program development
3. Providing consultation and information relating to school expenses support
4. Research and analysis for the statistical state of university registration fees and school expenses support
5. Management of school expenses support business as entrusted by the central administrative agency, local governments, public institutions, corporations, or an individual
6. Management of financial support business for human resource development including school expenses support
7. Establishment/operation of student welfare facilities, such as dormitories, etc;
8. Management of the university student working scholarship business and support for the operation of related cooperation programs; and
9. The other businesses relating to the school expenses support required to achieve the purpose of the establishment of the Foundation.

(2) The Foundation may run profit-making business activities except activities as prescribed by Paragraph (1) to achieve the purpose of establishment with the approval of the Minister of Education, Science, and Technology.

**Article 17 (Contributions)** (1) The Government may grant contributions to the Foundation by drawing up a budget every year to appropriate for the necessary expenses for the facilities, operation, and business activities of the Foundation.  
(2) The necessary matters required for the grant, use, and management of contributions under Paragraph (1) shall be as prescribed by Presidential Decree.

**Article 18 (Issue of Bonds)** (1) The Foundation may issue bonds for the creation of school expenses resources with the approval of the Minister of Education, Science, and Technology through the resolution of the board of directors.  
(2) The Minister of Education, Science, and Technology shall consult with the Minister of Strategy and Finance in advance to approve the issue of bonds under Paragraph (1).  
(3) The amount of bonds issued shall not exceed ten times the equity capital of the Foundation.  
(4) The term "equity capital" under Paragraph (3) means the amount calculated by deducting the total amount of debt from the total amount of assets on the balance sheet at the end of the last business year.  
(5) The government may guarantee the repayment of the principal and interest of bonds issued by the Foundation.  
(6) The necessary matters for the issue of bonds except for the matters prescribed by Paragraphs (1) to (5) shall be as prescribed by Presidential Decree.

**Article 19 (Free Loan of State/Public Properties, etc.)** (1) If a state or local government recognizes the necessity for the establishment/operation and performing the affairs of the Foundation, they may loan state properties or public properties without compensation to the Foundation notwithstanding the State Properties Act or the Public Property and Commodity Management Act.  
(2) The necessary matters for the loan under Paragraph (1) and the contents, conditions, and process of the use/profit shall be as prescribed by Presidential Decree.

**Article 20 (Receipt of Deposit Money)** (1) The Foundation may receive the money and goods voluntarily deposited by individuals or corporations for the business of the subparagraphs of Article 16, Paragraph 1.

(2) The Foundation shall manage the deposit money received pursuant to Paragraph (1) as a separated account.

**Article 21 (Submission of a Business Plan, etc.)**

The Foundation shall prepare a business plan and budget bill for each business year and submit it to the Minister of Education, Science, and Technology in accordance with the articles prescribed by Presidential Decree. The same shall also apply to any case when changing this.

**Article 22 (Settlement of Final Accounts)**

The Foundation shall prepare a balance sheet of the settlement of accounts for revenue and expenditure of each business year and submit to the Minister of Education, Science, and Technology on or before the February of next year with the auditing of a certified public accountant or accounting corporation, and settle the final accounts after approval.

**Article 23 (Appropriation of Profit and Loss)** (1) The Foundation shall reserve the total amount of profit if there is a profit in the settlement of each business year.

(2) If there is a loss in the settlement of each business year, the Foundation may cover it with a reserve fund under Paragraph (1). Where the reserve fund is insufficient to cover it, the Government may cover it.

**Article 24 (Entry and Inspection, etc.)** (1) The Minister of Education, Science, and Technology may allow related public officials to enter the Foundation and inspect the state of affairs, accounting, and assets or order the submission of necessary material to the Foundation.

(2) If the results of inspection under Paragraph (1) find illegalities or there are unjust matters arising, the Minister of Education, Science, and Technology may demand the correction to the Foundation or take any other necessary actions.

**CHAPTER 3 NATIONAL SCHOLARSHIP FUND**

**Section 1 General Provisions**

**Article 25 (Establishment of the National Scholarship Fund)** (1) The Minister of Education, Science, and Technology shall establish a national scholarship fund,



(hereinafter referred to as "the fund"), for smooth school expenses support.

(2) The fund shall be classified with a school expenses loan credit guarantee account and a school expenses support account according to the resources and the use.

**Article 26 (Management and Operation of the Fund)** (1) The fund shall be managed and operated by the Minister of Education, Science, and Technology.

(2) The Minister of Education, Science, and Technology shall entrust the affairs relating to the management and operation of the fund to the Foundation.

(3) In case the Minister of Education, Science, and Technology entrusts the affairs relating to the management and operation of the fund to the Foundation, he/she may supervise whether the entrusted affairs are executed properly and demand the necessary articles.

(4) The Foundation which is entrusted with affairs relating to the management and operation of the fund under Paragraph (2) shall report the state of the creation and operation of the fund to the Minister of Education, Science, and Technology under the matters prescribed by Presidential Decree.

(5) The Foundation shall account for the fund by separating the fund from other accounts, with school expenses loan credit guarantee accounts, and school expenses support accounts pursuant to Article 25, Paragraph (2) to be accounted independently.

(6) The Foundation shall execute the entrusted affairs with the attention of a sound manager.

(7) The Foundation shall compensate for losses where applicable due to a violation of the attention of acting as a sound manager under Paragraph (6).

(8) The Foundation may take judicial or all other actions relating to the fund on behalf of the Minister of Education, Science, and Technology.

**Article 27 (Establishment of the Fund Operating Committee)** (1) In order to deliberate on important matters for the management and operation of the fund, the fund operating committee, (hereinafter referred to as "the operating committee"), shall be established under the Minister of Education, Science, and Technology.

(2) The operating committee shall deliberate on matters of the following subparagraphs:

1. Basic policy for the management and operation of the fund
2. Fund operation plan
3. Matters of reporting on final accounts
4. Other important matters for the management and operation of the fund.

(3) The operating committee shall be organized with no more than 15 commissioners, including the chairman, with the necessary matters for the organization and operation to be prescribed by Presidential Decree.

#### **Article 28 (Accounting Agency of the Fund)**

The Foundation shall appoint the persons of the following subparagraphs among the directors and employees after being entrusted for the affairs of management and operation of the fund pursuant to Article 26, Paragraph (2), and report this to the Minister of Education, Science, and Technology. In this case, the staff in charge of fund revenue, the staff in charge of fund expenditure encumbrance, the fund expenditure employees, and the fund accounting employees shall execute the duty of fund revenue collectors, the duty of fund financial commissioners, the duty of expenditure officers, and the duty of accounting officials, respectively:

1. Staff in charge of fund revenue
2. Staff in charge of fund expenditure encumbrance
3. Fund expenditure employees; and
4. Fund accounting employees.

#### **Article 29 (Operation of a Surplus Fund)**

The Foundation may operate surpluses in the fund with the methods of the following subparagraphs:

1. Deposit in financial institutions
2. Purchase of Government bonds, municipal bonds, and bonds guaranteed by the government and
3. The method prescribed by Presidential Decree to operate the surplus fund.

**Article 30 (Appropriation of Profit and Loss)** (1) The Foundation shall reserve the total amount of profit in the fund if there is a profit in the settlement of each business year.

(2) If there is a loss in the settlement of each business year, the Foundation may cover it with the reserve fund under Paragraph (1). Where the reserve fund is insufficient to cover it, the Government may cover it.

## **Section 2 Credit Guarantee Account for School Expenses Loan**

### **Article 31 (Establishment of Credit Guarantee Account for School Expenses Loan)**

In case a university student loans school expenses from the Foundation or financial institutions, the credit guarantee account, (hereinafter referred to as "the guarantee account"), for school expenses loans shall be established for the credit guarantee for the loan.

**Article 32 (Creation of the Guarantee Account)** (1) The guarantee account shall have the funds of the following subparagraphs as financial resources:

1. Investments from the Government and others
2. Fees for guaranty
3. Revenue from exercising rights to claims for reimbursement
4. Profit from the operation of the guarantee account
5. Loans from other funds managed and operated by the government and
6. Other funds as prescribed by Presidential Decree to create the guarantee account.

(2) The government may contribute a fixed amount within the scope of the budget of each accounting year.

(3) Financial institutions may invest the amount calculated by the rate prescribed by Presidential Decree to the guarantee account within the scope of no more than three thousandths of any loaned money guaranteed by the Minister of Education, Science, and Technology.

### **Article 33 (Use of the Guarantee Account)**

The guarantee account shall be used for the following subparagraphs:

1. Execution of guaranteed obligations;
2. Repayment of the principal and interest for loans;
3. Expenses for the creation, operation, and management of the guarantee account
4. Research for fosterage of the guarantee account, such as raising the fiscal health of the fund and

5. Other necessary matters required to achieve the purpose of the establishment of the guarantee account and as prescribed by Presidential Decree.

**Article 34 (Preferential Guarantee)**

The Foundation shall guarantee credit preferentially for university students prescribed by Presidential Decree, such as the beneficiaries pursuant to Article 5 of the National Basic Living Security Act to achieve effectively the purpose of this Act.

**Article 35 (Guarantee Limit)** (1) The total amount limit guaranteed by the charge of the guarantee account shall be prescribed by Presidential Decree within a scope not exceeding 20 times the amount calculated by the sum of the fund and earnings brought forward pursuant to Article 32, Paragraph (1), Subparagraph 1.

(2) The maximum limit guaranteed by the charge of the guarantee account for the same university student shall be prescribed by the Minister of Education, Science, and Technology.

**Article 36 (Guarantee Recommendation)** (1) The Foundation may request a guarantee recommendation to the principal of a higher education institute where the university student who has applied for a credit guarantee studies.

(2) The principal of the higher education institute who has received the request under Paragraph (1) shall recommend considering the record of the student who has applied for a credit guarantee.

(3) The principal who has recommended the student under Paragraph 2 shall guide the recommended student to execute a repayment of the principal and interest sincerely.

(4) The necessary matters relating to standards and subjects of the guarantee recommendation under Paragraph (1) shall be as prescribed by the Minister of Education, Science, and Technology.

**Article 37 (Establishment of a Guarantee Relationship)** (1) If a credit guarantee is decided to be executed, the Foundation shall inform the fact to the university student who is guaranteed and the person who is going to be a creditor.

(2) The guarantee relationship shall be established when the main credit and debt relationship between the university student who is going to obtain a credit guarantee

and the creditor.

(3) If a main credit and debt relationship is not established within 60 days from the date of notification under Paragraph (1), the related guarantee relationship shall not be established.

#### **Article 38 (Duties of Creditors)**

The creditors with the notification pursuant to Article 37, Paragraph (1) shall notify the fact in any cases of the following subparagraphs to the Foundation without delay:

1. In case of the establishment of a credit and debt relationship
2. In cases of the extinction of all or part of the main debt
3. In cases where the debtor has not executed the debt
4. In cases where the debtor loses the benefit of time and
5. In cases where other causes which may affect the guaranteed debts arise.

**Article 39 (Fees for Guarantee)** (1) The Foundation may receive a fee for a guarantee in accordance with the matters prescribed by Presidential Decree within a scope not exceeding five hundredths of the guaranteed amount from the guaranteed person considering the operational state of the guarantee account.

(2) In case the fulfillment obligation has not been rescinded because the guaranteed person has not fulfill the debt within the term, the Foundation may receive additional fees for guarantee within a scope not exceeding twenty five thousandths of the annual percentage rate for the amount which has not been fulfilled among the guaranteed debt of the related student, pursuant to the provisions prescribed by Presidential Decree.

**Article 40 (Fulfillment of Guarantee Debt)** (1) The creditor of the guaranteed person may claim for the fulfillment of the guarantee debt to the Foundation when the causes of a default as prescribed by Presidential Decree have occurred.

(2) In cases of receiving claims for fulfillment from the creditor under Paragraph (1), the Foundation shall fulfill the main debt and the dependent debt as prescribed by Presidential Decree without delay.

**Article 41 (Exercising Rights to Claim for Reimbursement)** (1) In case the Foundation has fulfilled the guaranteed debt, the creditor shall send all documents required for exercising rights to claim for reimbursement of the Foundation and actively

cooperate the exercising rights to claim for reimbursement.

(2) In cases of fulfilling the guaranteed debt and executing the claim for reimbursement to the main creditor, the Foundation may defer the execution of the claim of reimbursement for the main creditor, when the main creditor falls under any of the following subparagraphs:

1. Where it deems that the properties of the main debtor are unlikely to be left after covering the costs of fulfilling the claim of reimbursement;
2. Where it deems that the ability to repay the debt of the main debtor in the future is likely to increase through deferring the fulfillment of the claim of reimbursement;
3. In other cases prescribed by Presidential Decree as necessary for a withdrawal of the claim of reimbursement.

(3) The Foundation may take measures specified in the following subparagraphs as post management activities of the acquired claim of reimbursement:

1. Where it is inevitable for the preservation of the claim of reimbursement:  
Acquisition of collateral
2. Where there is no practical benefit to the fulfillment of the claim of reimbursement by legal processes and/or any other methods: Depreciation of the claim of reimbursement

(4) The extinctive prescription of a claim of reimbursement is completed if it has not been fulfilled for 10 years.

**Article 42 (Exemption of the Claim of Reimbursement)** (1) The Foundation may exempt the repayment of all or part of a claim of reimbursement where the main debtor may not repay due to death or mental and/or physical disorder.

(2) Where the university student who borrows a school loan from a financial institution with a guarantee of a guarantee account cannot repay the school expenses due to conscription pursuant to the Military Service Act, the payment of loan interest may be deferred.

**Article 43 (Loss)**

Where not fulfilling a guaranteed debt, the Foundation may collect losses from the related debtor from the date when the Foundation fulfills the guaranteed debt to the date of repayment within a scope not exceeding twenty hundredths of the annual rate for the amount fulfilled.

### **Section 3 School Expenses Support Account**

#### **Article 44 (Establishment of a School Expenses Support Account)**

To provide free school expenses and school expenses loans for a university student who has a superior record and is in a difficult economic situation, the school expenses support account, (hereinafter referred to as the "school expenses account"), shall be established.

**Article 45 (Creation of a School Expenses Account)** (1) The school expenses account shall be created by the resources of the following subparagraphs:

1. Contributions of the Government or others
2. Stock holdings and other assets contributed by the government or public agencies pursuant to the Act on the Management of Public Agencies
3. Withholdings received from a public capital management fund pursuant to the Public Capital Management Fund Act
4. Business expenditure relating to the deposited school expenses to the Foundation with the prescribed use by the head of the central administrative agency and the head of the local government
5. Properties contributed or donated by various corporations and organizations
6. Price for the sale of a bond under Article 18
7. Profit from the operation of the school expenses account
8. Other revenues.

(2) The government shall contribute a specific amount to the school expenses account within the scope of the budget in each business year.

#### **Article 46 (Use of the School Expenses Account)**

The school expenses account shall be used for the following subparagraphs:

1. Payment of free school expenses and loans;
2. Support of the principal and interest of school loans;
3. Expenses for the creation, operation, and management of the school expenses account
4. Repayment of the principal and interest of expenses pursuant to Article 45, Paragraph (1), Subparagraphs 3, 6, and 8

5. Research for the fosterage of the school expenses account, such as the development of a school expenses support program, etc and

6. Other necessary matters required to achieve the purpose of the establishment of the school expenses account and as prescribed by Presidential Decree.

(2) Support for the interest of the school expenses loan under Paragraph (1), Subparagraph 2 shall be limited to persons prescribed by Presidential Decree, such as the beneficiaries pursuant to Article 5 of the National Basic Living Security Act.

#### **Article 47 (Preferential Provision of Free School Expenses and Loans)**

The Minister of Education, Science, and Technology may provide preferentially free school expenses and loans for university students prescribed by Presidential Decree, such as beneficiaries pursuant to Article 5 of the National Basic Living Security Act, to achieve effectively the purpose of this Act.

#### **Article 48 (Complimentary Payment of School Expenses and Recommendation of Persons Subject to School Loans)**

(1) The Minister of Education, Science, and Technology may request the recommendation of persons subject to the complimentary payment of school expenses and loans to the principal of a higher education institute.

(2) The principal of a higher education institute who has received the request under Paragraph (1) shall recommend considering the economic situation and the record of the university student.

#### **Article 49 (Extension and Exemption of Repayment, etc.)**

(1) Where a person who acquires a school loan from the school expenses account is in a difficult situation to repay the school expenses due to his/her own accident, disease, and/or other reasons as prescribed by Presidential Decree, the Minister of Education, Science, and Technology may extend the term of repayment.

(2) Where a person who loaned the school expenses from the school expenses account may not repay due to death or a mental and/or physical disorder, the Minister of Education, Science, and Technology may exempt the repayment of all or part of the school expenses.

(3) Where a person who borrows a school loan from the school expenses account cannot repay the school expenses due to conscription pursuant to the Military



Service Act, the Minister of Education, Science, and Technology may defer the payment of loan interest.

(4) The extinctive prescription of the school loan credit is completed if it has not been exercised for 10 years.

## CHAPTER 4 SUPPLEMENTARY RULES

**Article 50 (Request for Providing Data)** (1) The Minister of Education, Science, and Technology may request the submission of related data required for executing the management and operation affairs of the Foundation, such as information relating to earned income, property income, and financial income of the university student who has been provided with school expenses support or who intends to be provided so, and the parents or spouse of said university student, to the agencies of the following subparagraphs, whereby the requested agencies shall submit the data:

1. Related administrative agency
2. Local government
3. Higher education institutes
4. Financial institutions
5. National Health Insurance Corporation established pursuant to the National Health Insurance Act and
6. Other agencies and organizations as prescribed by Presidential Decree.

(2) The Foundation may request the data relating to the purpose of establishment, business items and results, etc. of non - profit scholarship corporations as prescribed by Presidential Decree to construct a customized school expenses support system to the corporations concerned, whereupon the corporations concerned shall follow the request if there is no special reason not to do so.

(3) The Minister of Education, Science, and Technology shall protect the personal information received from agencies and non - profit scholarship corporations under each subparagraph of Paragraph (1) and Paragraph (2) according to the Act on the Protection of Personal Information Maintained by Public Agencies.

**Article 51 (Entrustment of Affairs)** (1) The Foundation may entrust any part of the affairs relating to school expenses support of university students to the financial

institution, the Korea Asset Management Corporation, pursuant to the Act on the Efficient Disposal of Non - Performing Assets, etc. of Financial Institutions and the Establishment of the Korea Asset Management Corporation and credit information companies pursuant to the Use and Protection of Credit Information Act, (hereinafter referred to as "credit information companies" in this Article), pursuant to provisions as prescribed by Presidential Decree, provided, that credit information companies, the affairs of which may be entrusted, shall be limited to the approved affairs pursuant to the Use and Protection of Credit Information Act. <Amended on Apr., 1, 2009 >

(2) The company which is in charge of the affairs may take judicial or all other actions relating to the affairs on behalf of the Foundation, provided, in the case of a credit information company, it may take only other actions than judicial actions. <Amended on Apr., 1, 2009 >

#### **Article 52 (Prohibition of Use of the Same Name)**

A person who is not under this Act shall not use the name of the Korea Scholarship Foundation.

**Article 53 (Honorable Treatment for Private Contributors)**(1) When providing free school expenses by receiving contributions and donations from corporations, organizations, and individuals, the Foundation may provide the name of the related contributor and donator according to the wish of the contributor and donator.

(2) The matters required for providing free school expenses with the name of the contributor and donator under Paragraph (1) shall be as provided for by Presidential Decree.

**Article 54 (Awards, etc.)** (1) The Minister of Education, Science, and Technology may award a person who has remarkable merits to contribute to school expenses support, etc.

(2) The Foundation may exempt or pay all or any part of the principal and interest of the remainder of school expenses for a university student who has superior academic achievements or contributes remarkably to society among university students who have loaned school expenses in each year.

(3) The necessary matters relating to the selection standards, process, and the scope of exemption and payment shall be as prescribed by the Articles of the Foundation.

**Article 55 (Public Officials in the Application of Penal Provisions)**

The staff of the Foundation shall be considered as public officials in the application of penal provisions pursuant to the provisions of Articles 129 to 132 of the Criminal Act.

**CHAPTER 5 PENAL PROVISIONS**

**Article 56 (Fines for Negligence)** (1) A less than five million won fine for negligence shall be imposed on a person who violates Article 52.

(2) A fine for negligence under Paragraph (1) shall be collected by the Minister of Education, Science, and Technology pursuant to provisions prescribed by Presidential Decree.

**ADDENDA** <No. 9617, 1. Apr, 2009>

**Article 1 (Enforcement Date)** This Act shall enter into effect 6 months from the date of its promulgation.

**Article 2 to 11 (Omitted)**

**Article 12 (Amendment of Other Provisions)** from (1) to <21> omitted

<22> A part of Act No. 9415, the Korea Scholarship Foundation Establishment, etc. is amended as below:

"Credit information business operator" is amended to "credit information company" in the body and provision of Article 51, Paragraph (1) and the provision of Paragraph (2).

<23> and <24> are omitted.

**Article 13 (Omitted)**