

HOUSE BILL 393

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By: **Delegates Stein, Rosenberg, Glenn, Kach, Lafferty, and M. Washington**

Introduced and read first time: January 23, 2014

Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Higher Education – Loan Repayment Program for Home Buyers in Distressed Areas – Establishment

FOR the purpose of establishing the Loan Repayment Program for Home Buyers in Distressed Areas; requiring the Office of Student Financial Assistance to assist in the repayment of higher education loans owed by certain individuals who buy homes in certain areas of the State; establishing requirements for an applicant to be eligible for the Program; providing that assistance under this Program shall be separate from assistance under the Janet L. Hoffman Loan Assistance Repayment Program; requiring the Office to establish certain regulations to implement the Program; requiring the Governor to include, beginning in a certain fiscal year, a certain amount in the annual budget bill for the Program; requiring the Office to make a certain report to the General Assembly on or before a certain date each year; defining certain terms; and generally relating to the Loan Repayment Program for Home Buyers in Distressed Areas.

BY adding to

Article – Education

Section 18–15A–01 through 18–15A–05 to be under the new subtitle “Subtitle
15A. Loan Repayment Program for Home Buyers in Distressed Areas”

Annotated Code of Maryland

(2008 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

SUBTITLE 15A. LOAN REPAYMENT PROGRAM FOR HOME BUYERS IN DISTRESSED AREAS.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



18-15A-01.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “DISTRESSED AREA” MEANS AN AREA WHERE AT LEAST 51% OF THE POPULATION QUALIFIES AS LOW AND MODERATE INCOME AS DEFINED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(C) “HIGHER EDUCATION LOAN” MEANS ANY LOAN FOR UNDERGRADUATE OR GRADUATE STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

(1) A COLLEGE OR UNIVERSITY OR A GOVERNMENT OR COMMERCIAL SOURCE; OR

(2) AN ORGANIZATION, AN INSTITUTION, AN ASSOCIATION, A SOCIETY, OR A CORPORATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR (4) OF THE INTERNAL REVENUE CODE OF 1986.

(D) “HOFFMAN REPAYMENT PROGRAM” MEANS THE JANET L. HOFFMAN LOAN ASSISTANCE REPAYMENT PROGRAM ESTABLISHED UNDER TITLE 15 OF THIS ARTICLE.

(E) “OFFICE” MEANS THE OFFICE OF STUDENT FINANCIAL ASSISTANCE AS DEFINED IN § 18-101(C) OF THIS TITLE.

(F) “PROGRAM” MEANS THE LOAN REPAYMENT PROGRAM FOR HOME BUYERS IN DISTRESSED AREAS.

18-15A-02.

(A) THERE IS A PROGRAM TO ASSIST IN THE REPAYMENT OF HIGHER EDUCATION LOANS KNOWN AS THE LOAN REPAYMENT PROGRAM FOR HOME BUYERS IN DISTRESSED AREAS.

(B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT OF ANY HIGHER EDUCATION LOAN OWED BY AN INDIVIDUAL WHO:

(1) IS A PARTICIPANT IN THE HOFFMAN REPAYMENT PROGRAM;

(2) HAS BOUGHT A HOME IN A DISTRESSED AREA OF THE STATE;
AND

(3) SATISFIES ANY OTHER CRITERIA ESTABLISHED BY THE OFFICE.

(C) ANY LOAN REPAYMENT ASSISTANCE GIVEN TO A PARTICIPANT UNDER THIS PROGRAM IS SEPARATE FROM ANY ASSISTANCE GIVEN UNDER THE HOFFMAN REPAYMENT PROGRAM.

18-15A-03.

(A) THE OFFICE SHALL ADOPT REGULATIONS TO ESTABLISH:

(1) THE MAXIMUM NUMBER OF PARTICIPANTS IN THE PROGRAM EACH YEAR;

(2) THE MINIMUM AND MAXIMUM AMOUNT OF LOAN REPAYMENT ASSISTANCE FOR A PARTICIPANT UNDER THE PROGRAM; AND

(3) AN ANNUAL REVIEW OF THE ELIGIBILITY OF EACH PARTICIPANT IN THE PROGRAM.

(B) THE OFFICE SHALL ADOPT ANY OTHER REGULATIONS NECESSARY TO IMPLEMENT THIS SUBTITLE.

18-15A-04.

BEGINNING IN FISCAL YEAR 2016 AND EACH FISCAL YEAR THEREAFTER, THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION OF \$150,000 FOR THE PROGRAM.

18-15A-05.

SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE OFFICE SHALL REPORT TO THE GENERAL ASSEMBLY BY JANUARY 1 OF EACH YEAR ON THE IMPLEMENTATION OF THE PROGRAM.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2014.