

# HOUSE BILL 788

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CF SB 669

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By: **Delegates Jalisi, C. Wilson, Angel, Atterbeary, B. Barnes, Clippinger, Conaway, Ebersole, Fennell, Hornberger, C. Howard, Kaiser, Korman, Lam, Metzgar, Moon, Pena–Melnyk, Platt, B. Robinson, Shoemaker, Smith, Tarlau, Turner, Vogt, A. Washington, M. Washington, and K. Young**

Introduced and read first time: February 13, 2015

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Loan Assistance Repayment Program for Orphans and Foster Care**  
3 **Recipients**

4 FOR the purpose of establishing the Maryland Loan Assistance Repayment Program for  
5 Orphans and Foster Care Recipients; establishing eligibility requirements for  
6 participation in the Program; providing for the amount, duration, renewal, and uses  
7 of certain awards; requiring the Office of Student Financial Assistance to adopt  
8 certain regulations; defining certain terms; providing for the application of this Act;  
9 and generally relating to the Maryland Loan Assistance Repayment Program for  
10 Orphans and Foster Care Recipients.

11 BY adding to

12 Article – Education

13 Section 18–3101 through 18–3106 to be under the new subtitle “Subtitle 31.  
14 Maryland Loan Assistance Repayment Program for Orphans and Foster Care  
15 Recipients”

16 Annotated Code of Maryland

17 (2014 Replacement Volume and 2014 Supplement)

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

20 **Article – Education**

21 **SUBTITLE 31. MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR**  
22 **ORPHANS AND FOSTER CARE RECIPIENTS.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 18-3101.

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

4 (B) "FOSTER CARE RECIPIENT" MEANS AN INDIVIDUAL WHO WAS PLACED IN  
5 AN OUT-OF-HOME PLACEMENT BY A STATE'S OR UNIT OF A STATE GOVERNMENT'S  
6 DEPARTMENT OF SOCIAL SERVICES FOR 5 YEARS OR MORE.

7 (C) "HIGHER EDUCATION LOAN" MEANS ANY LOAN FOR UNDERGRADUATE,  
8 PROFESSIONAL, OR GRADUATE STUDY THAT IS OBTAINED FOR TUITION,  
9 EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

10 (1) A COLLEGE OR UNIVERSITY, GOVERNMENT, OR COMMERCIAL  
11 SOURCE; OR

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

15 (D) "ORPHAN" MEANS A CHILD WHO HAS BEEN LEGALLY DETERMINED NOT  
16 TO HAVE PARENTS BECAUSE OF THE PARENTS':

17 (1) DEATH OR DISAPPEARANCE;

18 (2) ABANDONMENT OR DESERTION OF THE CHILD; OR

19 (3) SEPARATION FROM THE CHILD.

20 (E) "PROGRAM" MEANS THE MARYLAND LOAN ASSISTANCE REPAYMENT  
21 PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS.

22 18-3102.

23 (A) THERE IS A MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR  
24 ORPHANS AND FOSTER CARE RECIPIENTS IN THE STATE.

25 (B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF HIGHER EDUCATION  
26 LOANS OWED BY AN ORPHAN OR A FOSTER CARE RECIPIENT WHO:

27 (1) IS EMPLOYED ON A FULL-TIME BASIS BY THE STATE;

1           **(2) RECEIVED A GRADUATE, PROFESSIONAL, OR UNDERGRADUATE**  
2 **DEGREE FROM A COLLEGE OR UNIVERSITY IN THE STATE; AND**

3           **(3) MEETS ANY OTHER REQUIREMENT ESTABLISHED BY THE OFFICE.**

4           **(C) AN APPLICANT FOR ASSISTANCE IN THE REPAYMENT OF A COMMERCIAL**  
5 **LOAN SHALL DEMONSTRATE TO THE OFFICE THAT THE COMMERCIAL LOAN WAS**  
6 **USED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FOR**  
7 **GRADUATE, PROFESSIONAL, OR UNDERGRADUATE STUDY.**

8           **(D) ASSISTANCE IN THE REPAYMENT OF A LOAN FROM AN ENTITY SET**  
9 **FORTH IN § 18-1601(C)(2) OF THIS TITLE SHALL REQUIRE THE APPROVAL OF THE**  
10 **OFFICE.**

11 **18-3103.**

12           **THE AWARD AMOUNT UNDER THE PROGRAM SHALL BE EQUAL TO 10% OF THE**  
13 **ELIGIBLE INDIVIDUAL'S TOTAL HIGHER EDUCATION LOAN DEBT FOR EACH YEAR**  
14 **THE INDIVIDUAL QUALIFIES FOR THE PROGRAM.**

15 **18-3104.**

16           **(A) EACH RECIPIENT OF AN AWARD UNDER THE PROGRAM MAY HOLD THE**  
17 **AWARD FOR 3 YEARS IF THE RECIPIENT:**

18                   **(1) CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED UNDER §**  
19 **18-3102 OF THIS SUBTITLE; AND**

20                   **(2) SIGNS AN AGREEMENT AT THE TIME OF THE AWARD TO REMAIN**  
21 **EMPLOYED BY THE STATE FOR AT LEAST 1 YEAR AFTER THE EXPIRATION OF THE**  
22 **TERM OF THE AWARD.**

23           **(B) EACH AWARD UNDER THE PROGRAM SHALL BE RENEWABLE ON THE**  
24 **EXPIRATION OF THE TERM OF THE AWARD.**

25 **18-3105.**

26           **AN AWARD UNDER THE PROGRAM SHALL BE USED ONLY FOR REPAYMENT OF**  
27 **THE HIGHER EDUCATION LOANS OWED BY THE RECIPIENT.**

28 **18-3106.**

1           **THE OFFICE SHALL ADOPT REGULATIONS TO IMPLEMENT THE PROVISIONS**  
2 **OF THIS SUBTITLE.**

3           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
4 apply retroactively and shall be applied to and interpreted to affect any individual who  
5 meets the eligibility requirements of the Maryland Loan Assistance Repayment Program  
6 for Orphans and Foster Care Recipients of Title 18, Subtitle 31 of the Education Article, as  
7 enacted by Section 1 of this Act, on or after July 1, 2012.

8           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
9 1, 2015.