SENATE BILL 669

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By: Senators Young, Lee, Nathan–Pulliam, and Rosapepe

Introduced and read first time: February 6, 2015 Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments Senate action: Adopted Read second time: March 17, 2015

CHAPTER _____

1 AN ACT concerning

Maryland Loan Assistance Repayment Program for Orphans and Foster Care Recipients

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

- 11 BY adding to
- 12 Article Education
- Section 18–3101 through 18–3106 to be under the new subtitle "Subtitle 31.
 Maryland Loan Assistance Repayment Program for Orphans and Foster Care 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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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$\frac{1}{2}$	SUBTITLE 31. MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR Orphans and Foster Care Recipients.
3	18-3101.
4 5	(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
6 7 8	(B) "FOSTER CARE RECIPIENT" MEANS AN INDIVIDUAL WHO WAS PLACED IN AN OUT-OF-HOME PLACEMENT BY A STATE'S OR UNIT OF A STATE GOVERNMENT'S DEPARTMENT OF SOCIAL SERVICES FOR 5 YEARS OR MORE.
9 10 11	(C) "HIGHER EDUCATION LOAN" MEANS ANY LOAN FOR UNDERGRADUATE, PROFESSIONAL, OR GRADUATE STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:
12 13	(1) A college or university <u>An institution of higher</u> <u>education</u> , government, or commercial source; or
$\begin{array}{c} 14\\ 15\\ 16\end{array}$	(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.
17 18	(D) "ORPHAN" MEANS A CHILD WHO HAS BEEN LEGALLY DETERMINED NOT TO HAVE PARENTS BECAUSE OF THE PARENTS':
19	(1) DEATH OR DISAPPEARANCE;
20	(2) ABANDONMENT OR DESERTION OF THE CHILD; OR
21	(3) SEPARATION FROM THE CHILD.
22 23	(E) "PROGRAM" MEANS THE MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS.
24	18-3102.
$\begin{array}{c} 25\\ 26 \end{array}$	(A) THERE IS A MARYLAND LOAN ASSISTANCE REPAYMENT PROGRAM FOR ORPHANS AND FOSTER CARE RECIPIENTS IN THE STATE.
27 28	(B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF HIGHER EDUCATION LOANS OWED BY AN ORPHAN OR A FOSTER CARE RECIPIENT WHO:
29	(1) IS EMPLOYED ON A FULL-TIME BASIS BY THE STATE;

1(2)RECEIVED A GRADUATE, PROFESSIONAL, OR UNDERGRADUATE2DEGREE FROM A COLLEGE OR UNIVERSITYAN INSTITUTION OF HIGHER EDUCATION3IN THE STATE; AND

4

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

5 (C) AN APPLICANT FOR ASSISTANCE IN THE REPAYMENT OF A COMMERCIAL 6 LOAN SHALL DEMONSTRATE TO THE OFFICE THAT THE COMMERCIAL LOAN WAS 7 USED FOR TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FOR 8 GRADUATE, PROFESSIONAL, OR UNDERGRADUATE STUDY.

9 (D) ASSISTANCE IN THE REPAYMENT OF A LOAN FROM AN ENTITY SET 10 FORTH IN § 18–1601(C)(2) OF THIS TITLE SHALL REQUIRE THE APPROVAL OF THE 11 OFFICE.

12 **18–3103.**

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

16 **18–3104.**

17 (A) EACH RECIPIENT OF AN AWARD UNDER THE PROGRAM MAY HOLD THE 18 AWARD FOR 3 YEARS IF THE RECIPIENT:

19(1)CONTINUES TO MEET THE QUALIFICATIONS SPECIFIED UNDER §2018-3102 OF THIS SUBTITLE; AND

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

24 **(B)** EACH AWARD UNDER THE PROGRAM SHALL BE RENEWABLE ON THE 25 EXPIRATION OF THE TERM OF THE AWARD.

26 **18–3105.**

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

29 **18–3106.**

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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, <u>2012</u> 2010.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.

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