

HOUSE BILL 605

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8lr0373

By: **Delegates Kaiser, Ali, Barkley, Barve, Clippinger, Ebersole, Gibson, Hill, Hixson, C. Howard, Jalisi, Lam, R. Lewis, Lierman, Luedtke, McIntosh, Moon, Pendergrass, Stein, Turner, M. Washington, Wilkins, K. Young, and P. Young**

Introduced and read first time: January 29, 2018

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2018

CHAPTER _____

1 AN ACT concerning

2 **State Student Loan Refinancing Program – Market-Specific Consultant Study**

3 FOR the purpose of requiring the Maryland Health and Higher Educational Facilities
4 Authority to engage an outside consultant within a certain period of time to conduct
5 a market-specific study to make certain determinations related to a State student
6 loan refinancing program; requiring the study to examine certain areas; requiring
7 the consultant to report to the Authority within a certain period of time and requiring
8 the report to include certain elements; requiring the Governor to appropriate a
9 certain amount in a certain fiscal year to fund the study if a certain condition is not
10 met; requiring the Authority to review the consultant's report and to make certain
11 comments or recommendations to certain committees of the General Assembly
12 within a certain period of time; providing for the termination of this Act; and
13 generally relating to a market-specific consultant study for a State student loan
14 refinancing program.

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That:

17 (a) No later than 2 months after receipt of the funding specified in subsection (c)
18 of this section, the Maryland Health and Higher Educational Facilities Authority shall
19 engage an outside consultant to conduct a market-specific study to determine the costs of,
20 demand for, and long-term viability of a State student loan refinancing program in

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 Maryland.

2 (b) (1) The market-specific study conducted by the consultant shall examine
3 all of the areas recommended in the report published in October 2017 entitled “Student
4 Loan Refinancing in Maryland: Findings and Recommendations Related to the Advisability
5 of Establishing a State Student Loan Refinancing Program”, including:

6 (i) a cost analysis;

7 (ii) a demand analysis;

8 (iii) an analysis of the competitive landscape of the student loan
9 refinancing marketplace;

10 (iv) the potential savings borrowers might realize and the potential
11 economic impact on the State; and

12 (v) the financial implications of establishing a direct student loan
13 program in addition to a student loan refinancing program.

14 (2) (i) Not later than 3 months after being engaged by the Maryland
15 Health and Higher Educational Facilities Authority to conduct the market-specific study,
16 the consultant shall report to the Authority on each of the areas the study is required to
17 examine.

18 (ii) The consultant’s report shall include:

19 1. information on and analysis of each of the areas the study
20 is required to examine;

21 2. a description of the methodologies used in the study; and

22 3. findings and recommendations regarding each of the areas
23 the study is required to examine.

24 (c) If the annual budget bill for fiscal year 2019 does not include an appropriation
25 of \$250,000 to the Maryland Health and Higher Educational Facilities Authority to fund
26 the market-specific consultant study required under subsection (a) of this section, the
27 Governor shall include in the annual budget bill for fiscal year 2020 an appropriation of
28 \$250,000 for that purpose.

29 (d) Not later than 30 days after receiving the consultant’s report, the Maryland
30 Health and Higher Educational Facilities Authority shall:

31 (1) review the consultant’s report, including the consultant’s analysis,
32 methodology, findings, and recommendations; and

1 (2) make comments or recommendations related to the report, including
2 the advisability of establishing a State student loan refinancing program, to the Senate
3 Budget and Taxation Committee and the House Committee on Ways and Means in
4 accordance with § 2–1246 of the State Government Article.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
6 1, 2018. It shall remain effective for a period of 2 years and 1 month and, at the end of June
7 30, 2020, this Act, with no further action required by the General Assembly, shall be
8 abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.