

HOUSE BILL 795

K3, F2
HB 1172/24 – APP

5lr1264

By: **Delegates Spiegel, Kaiser, Kaufman, Lehman, R. Lewis, Lopez,
Palakovich Carr, Terrasa, and Toles**

Introduced and read first time: January 29, 2025

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 20, 2025

CHAPTER _____

1 AN ACT concerning

2 **Federal Public Service Loan Forgiveness Program – Employee Certification and**
3 **Awareness Materials**

4 FOR the purpose of establishing requirements related to the certification of employment
5 by public service employers under the federal Public Service Loan Forgiveness
6 Program, including requirements regarding determinations of whether employees
7 are full-time; requiring the Student Loan Ombudsman in the Office of the
8 Commissioner of Financial Regulation to develop and disseminate information to
9 increase awareness of and participation in the Program; and generally relating to
10 employment certification for the federal Public Service Loan Forgiveness Program.

11 BY repealing and reenacting, without amendments,
12 Article – Financial Institutions
13 Section 2–104.1(a)(1) and (5)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2024 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Financial Institutions
18 Section 2–104.1(e)
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2024 Supplement)

21 BY repealing and reenacting, without amendments,

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 Article – Labor and Employment
2 Section 3–101(a) and (b)
3 Annotated Code of Maryland
4 (2016 Replacement Volume and 2024 Supplement)

5 BY adding to
6 Article – Labor and Employment
7 Section 3–1801 through 3–1805 to be under the new subtitle “Subtitle 18.
8 Certification of Public Service Employment Under the Federal Public Service
9 Loan Forgiveness Program”
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2024 Supplement)

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

14 **Article – Financial Institutions**

15 2–104.1.

16 (a) (1) In this section the following words have the meanings indicated.

17 (5) “Student Loan Ombudsman” means an individual, whether a paid
18 employee or a volunteer, whom the Commissioner designates to serve as a liaison between
19 student loan borrowers and student loan servicers.

20 (e) The Student Loan Ombudsman, in consultation with the Commissioner, shall
21 disseminate information about student education loans and servicing by:

22 (1) Helping student loan borrowers understand their rights and
23 responsibilities under the terms of student education loans;

24 (2) Providing information to the public, State agencies, elected officials,
25 and other individuals regarding student loan borrower problems and concerns; [and]

26 (3) Disseminating information about the availability of the Student Loan
27 Ombudsman to assist those with student education loan servicing concerns, including
28 disseminating the information to:

29 (i) Student loan borrowers;

30 (ii) Potential student loan borrowers;

31 (iii) State higher education institutions; and

32 (iv) Student loan servicers; AND

1 **(4) DEVELOPING AND DISSEMINATING INFORMATION TO INCREASE**
2 **AWARENESS OF AND PARTICIPATION IN THE FEDERAL PUBLIC SERVICE LOAN**
3 **FORGIVENESS PROGRAM IN ACCORDANCE WITH § 3-1804 OF THE LABOR AND**
4 **EMPLOYMENT ARTICLE.**

5 **Article – Labor and Employment**

6 3-101.

7 (a) In this title the following words have the meanings indicated.

8 (b) “Commissioner” means the Commissioner of Labor and Industry.

9 **SUBTITLE 18. CERTIFICATION OF PUBLIC SERVICE EMPLOYMENT UNDER THE**
10 **FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

11 **3-1801.**

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

14 **(B) “CERTIFY” MEANS TO:**

15 **(1) COMPLETE THE EMPLOYER SECTIONS OF THE FEDERAL PUBLIC**
16 **SERVICE LOAN FORGIVENESS PROGRAM FORM FOR A CURRENT OR FORMER**
17 **EMPLOYEE; OR**

18 **(2) SHARE DATA DIRECTLY WITH THE U.S. DEPARTMENT OF**
19 **EDUCATION ABOUT A CURRENT OR FORMER EMPLOYEE THAT CORRESPONDS TO**
20 **THE INFORMATION REQUIRED ON THE FEDERAL PUBLIC SERVICE LOAN**
21 **FORGIVENESS PROGRAM FORM.**

22 **(C) “EMPLOYEE” MEANS AN INDIVIDUAL WHO IS OR WAS EMPLOYED BY A**
23 **PUBLIC SERVICE EMPLOYER.**

24 **(D) “FULL-TIME” HAS THE MEANING STATED IN 34 C.F.R. § 685.219.**

25 **(E) “INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN §**
26 **10-101 OF THE EDUCATION ARTICLE.**

27 **(F) “PROGRAM” MEANS THE FEDERAL PUBLIC SERVICE LOAN**
28 **FORGIVENESS PROGRAM ESTABLISHED UNDER 20 U.S.C. § 1087E(M).**

29 **(G) (1) “PUBLIC SERVICE EMPLOYER” MEANS AN EMPLOYER IN THE**

1 STATE WHO IS DESIGNATED AS A QUALIFYING EMPLOYER UNDER THE FEDERAL
2 PUBLIC SERVICE LOAN FORGIVENESS PROGRAM, INCLUDING:

3 (I) A STATE OR LOCAL GOVERNMENT EMPLOYER, INCLUDING:

- 4 1. AN OFFICE OR A DEPARTMENT;
- 5 2. AN INDEPENDENT AGENCY;
- 6 3. A LOCAL SCHOOL SYSTEM;
- 7 4. A PUBLIC INSTITUTION OF HIGHER EDUCATION;
- 8 5. A PUBLIC LIBRARY SYSTEM; AND
- 9 6. AN AUTHORITY OR OTHER BODY; AND

10 (II) AN EMPLOYER DESIGNATED AS A TAX-EXEMPT
11 ORGANIZATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

12 (2) "PUBLIC SERVICE EMPLOYER" DOES NOT INCLUDE A FEDERAL OR
13 TRIBAL NATION GOVERNMENT ORGANIZATION, AGENCY, OR GOVERNMENTAL
14 ENTITY.

15 (H) "PUBLIC SERVICE LOAN FORGIVENESS PROGRAM FORM" MEANS THE
16 FORM USED BY THE U.S. DEPARTMENT OF EDUCATION TO:

17 (1) CERTIFY AN INDIVIDUAL'S CURRENT OR FORMER EMPLOYMENT
18 WITH A PUBLIC SERVICE EMPLOYER; AND

19 (2) DETERMINE AN INDIVIDUAL'S ELIGIBILITY FOR THE PURPOSES OF
20 THE FEDERAL PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.

21 (I) "STUDENT LOAN OMBUDSMAN" HAS THE MEANING STATED IN § 2-104.1
22 OF THE FINANCIAL INSTITUTIONS ARTICLE.

23 3-1802.

24 (A) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE A PUBLIC SERVICE
25 EMPLOYEE TO INCREASE THE NUMBER OF HOURS THAT THE EMPLOYEE WORKS FOR
26 THE PUBLIC SERVICE EMPLOYER.

27 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR THE

1 PURPOSES OF CERTIFYING EMPLOYMENT FOR THE PROGRAM, A PUBLIC SERVICE
2 EMPLOYER SHALL:

3 (1) ADOPT A POLICY CALCULATING HOURS WORKED USING A METHOD
4 THAT MAXIMIZES THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE CAN BE
5 CONSIDERED FULL-TIME; AND

6 (2) CONSIDER AS FULL-TIME AN EMPLOYEE WHO SATISFIES OR
7 SATISFIED THE MINIMUM AMOUNT OF TIME REQUIRED TO QUALIFY AS FULL-TIME.

8 (C) (1) THIS SUBSECTION APPLIES ONLY:

9 (I) TO A PUBLIC SERVICE EMPLOYER THAT IS AN INSTITUTION
10 OF HIGHER EDUCATION; AND

11 (II) WITH RESPECT TO AN EMPLOYEE WHO IS AN ADJUNCT OR
12 TENURED PROFESSOR.

13 (2) (I) FOR THE PURPOSE OF DETERMINING WHETHER AN
14 EMPLOYEE QUALIFIES AS FULL-TIME UNDER THE PROGRAM, A PUBLIC SERVICE
15 EMPLOYER SHALL CREDIT THE EMPLOYEE, FOR EACH HOUR OF THE EMPLOYEE'S
16 CREDIT, CONTACT, OR CLASSROOM TIME, WITH AT LEAST:

17 1. 3.35 HOURS WORKED; OR

18 2. IF A HIGHER NUMBER OF HOURS IS ALLOWED UNDER
19 THE PROGRAM, THE NUMBER ALLOWED UNDER THE PROGRAM.

20 (II) THIS SUBSECTION MAY NOT BE CONSTRUED TO SUPERSEDE
21 A PUBLIC SERVICE EMPLOYER'S POLICY OR ADJUSTMENT FOR ADDITIONAL WORK
22 ASSOCIATED WITH LECTURE OR CLASSROOM TIME.

23 (3) TO MAXIMIZE THE AMOUNT OF TIME FOR WHICH AN EMPLOYEE
24 CAN BE CONSIDERED TO BE A FULL-TIME EMPLOYEE, A PUBLIC SERVICE EMPLOYER
25 SHALL TREAT CONSECUTIVE ACADEMIC TERMS THAT AN EMPLOYEE TEACHES AS A
26 CONTINUOUS EMPLOYMENT PERIOD, REGARDLESS OF WHETHER:

27 (I) THE HOURS ARE TAUGHT UNDER SEPARATE EMPLOYMENT
28 CONTRACTS; OR

29 (II) THE ACADEMIC TERMS ARE SEPARATED BY ROUTINE
30 ACADEMIC VACATION.

1 **3-1803.**

2 (A) (1) SUBJECT TO THE PROVISIONS OF THIS SECTION, A PUBLIC
3 SERVICE EMPLOYER SHALL CERTIFY THE EMPLOYMENT OF EACH:

4 (I) CURRENT OR FORMER EMPLOYEE WHO REQUESTS THAT
5 THE PUBLIC SERVICE EMPLOYER COMPLETE A PUBLIC SERVICE LOAN
6 FORGIVENESS PROGRAM FORM; AND

7 (II) EMPLOYEE WHO IS LEAVING THE EMPLOYMENT OF THE
8 PUBLIC SERVICE EMPLOYER ON THE EMPLOYEE'S SEPARATION.

9 (2) THE PUBLIC SERVICE EMPLOYER SHALL CERTIFY:

10 (I) THE PERIOD OF EMPLOYMENT REQUESTED BY THE
11 CURRENT OR FORMER EMPLOYEE; OR

12 (II) IF NO PERIOD IS SPECIFIED, THE CURRENT OR FORMER
13 EMPLOYEE'S ENTIRE PERIOD OF EMPLOYMENT.

14 (B) (1) IF THE U.S. DEPARTMENT OF EDUCATION ALLOWS A PUBLIC
15 SERVICE EMPLOYER TO DIRECTLY CERTIFY THE EMPLOYMENT OF A CURRENT OR
16 FORMER EMPLOYEE, THE PUBLIC SERVICE EMPLOYER MAY SEND THE INFORMATION
17 NECESSARY TO CERTIFY THE EMPLOYMENT OF AN EMPLOYEE DIRECTLY TO THE
18 U.S. DEPARTMENT OF EDUCATION.

19 (2) THIS SUBSECTION DOES NOT PREVENT A PUBLIC SERVICE
20 EMPLOYER FROM SEEKING PERMISSION FROM AN EMPLOYEE BEFORE CERTIFYING
21 THE EMPLOYEE'S EMPLOYMENT TO THE U.S. DEPARTMENT OF EDUCATION.

22 (C) A PUBLIC SERVICE EMPLOYER MAY NOT UNREASONABLY DELAY THE
23 CERTIFICATION OF THE EMPLOYMENT OF A CURRENT OR FORMER EMPLOYEE.

24 **3-1804.**

25 (A) (1) THE STUDENT LOAN OMBUDSMAN SHALL DEVELOP AND UPDATE
26 AS NECESSARY MATERIAL DESIGNED TO PROMOTE AWARENESS OF AND INCREASE
27 PARTICIPATION IN THE PROGRAM.

28 (2) THE MATERIALS SHALL INCLUDE:

29 (I) A STANDARDIZED LETTER THAT:

- 1 1. **GIVES A BRIEF SUMMARY OF THE PROGRAM;**
- 2 2. **PROVIDES INFORMATION ABOUT WHAT AN EMPLOYEE**
3 **MUST DO TO BENEFIT FROM THE PROGRAM; AND**
- 4 3. **RECOMMENDS THAT EMPLOYEES VISIT THE U.S.**
5 **DEPARTMENT OF EDUCATION’S OFFICIAL WEBSITE FOR ADDITIONAL RESOURCES;**

6 **(II) A DETAILED FACT SHEET THAT:**

- 7 1. **DESCRIBES THE PROGRAM; AND**
- 8 2. **INCLUDES THE U.S. DEPARTMENT OF EDUCATION’S**
9 **OFFICIAL WEBSITE ADDRESSES FOR THE PROGRAM AND FOR RESOURCES FOR**
10 **STUDENT LOAN BORROWERS; AND**

11 **(III) A DOCUMENT CONTAINING FREQUENTLY ASKED QUESTIONS**
12 **ABOUT THE PROGRAM.**

13 **(B) ON OR AFTER OCTOBER 15, 2025, THE STUDENT LOAN OMBUDSMAN, IN**
14 **COORDINATION WITH OTHER STATE AGENCIES, SHALL MAKE THE MATERIALS**
15 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION AVAILABLE TO PUBLIC**
16 **SERVICE EMPLOYERS.**

17 **(C) (1) ON OR AFTER NOVEMBER 15, 2025, EACH PUBLIC SERVICE**
18 **EMPLOYER SHALL PROVIDE EACH NEWLY HIRED EMPLOYEE WITH THE MOST**
19 **RECENTLY AVAILABLE VERSION OF THE MATERIALS DEVELOPED UNDER**
20 **SUBSECTION (A) OF THIS SECTION WITHIN 30 DAYS AFTER THE EMPLOYEE’S FIRST**
21 **DAY OF EMPLOYMENT.**

22 **(2) A PUBLIC SERVICE EMPLOYER MAY PROVIDE THE MATERIALS**
23 **DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION BY MAIL, BY E-MAIL, OR**
24 **DURING AN IN-PERSON NEW EMPLOYEE ORIENTATION.**

25 **(D) ON OR AFTER MARCH 15, 2026, EACH PUBLIC SERVICE EMPLOYER**
26 **SHALL ANNUALLY PROVIDE THE MOST RECENTLY AVAILABLE VERSION OF THE**
27 **MATERIALS DEVELOPED UNDER SUBSECTION (A) OF THIS SECTION TO ALL**
28 **EMPLOYEES IN WRITTEN OR ELECTRONIC FORM.**

29 **3-1805.**

30 **THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
31 **SUBTITLE.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.