

# HOUSE BILL 1166

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By: **Delegate Manno**

Introduced and read first time: February 13, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Loan Assistance Repayment Program – Medical**  
3 **Professionals**

4 FOR the purpose of establishing the Medical Education Loan Assistance Repayment  
5 Program; establishing eligibility requirements for the Program; requiring  
6 certain applicants to demonstrate certain loans were used for certain purposes;  
7 prohibiting the State Department of Education from employing more than a  
8 certain number of employees to administer the Program; establishing a certain  
9 repayment assistance schedule; requiring the Office of Student Financial  
10 Assistance to adopt certain regulations; providing that certain funds for the  
11 Program shall be provided by the Governor in the State budget; requiring the  
12 Office to submit a certain report to the General Assembly on or before a certain  
13 date each year; defining certain terms; and generally relating to the Medical  
14 Education Loan Assistance Repayment Program.

15 BY adding to  
16 Article – Education  
17 Section 18–2801 through 18–2806 to be under the new subtitle “Subtitle 28.  
18 Medical Education Loan Assistance Repayment Program”  
19 Annotated Code of Maryland  
20 (2008 Replacement Volume)

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

23 **Article – Education**

24 **SUBTITLE 28. MEDICAL EDUCATION LOAN ASSISTANCE REPAYMENT**  
25 **PROGRAM.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **18-2801.**

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

4 (B) "ELIGIBLE PLACE OF EMPLOYMENT" MEANS EMPLOYMENT IN THE  
5 STATE BY A STATE, FEDERAL, OR NONPROFIT HOSPITAL.

6 (C) "MEDICAL EDUCATION LOAN" MEANS ANY LOAN FOR  
7 UNDERGRADUATE OR GRADUATE STUDY NECESSARY FOR OBTAINING A DEGREE  
8 IN THE PROFESSION OF MEDICINE OR NURSING THAT IS OBTAINED FOR  
9 TUITION, EDUCATIONAL EXPENSES, OR LIVING EXPENSES FROM:

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

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

15 (D) "PROGRAM" MEANS THE MEDICAL EDUCATION LOAN ASSISTANCE  
16 REPAYMENT PROGRAM.

17 **18-2802.**

18 (A) THERE IS A PROGRAM OF LOAN ASSISTANCE REPAYMENT KNOWN AS  
19 THE MEDICAL EDUCATION LOAN ASSISTANCE REPAYMENT PROGRAM IN THE  
20 STATE.

21 (B) SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS  
22 SECTION, THE OFFICE OF STUDENT FINANCIAL ASSISTANCE SHALL ASSIST IN  
23 THE REPAYMENT OF THE AMOUNT OF ANY MEDICAL EDUCATION LOAN OWED BY  
24 AN INDIVIDUAL WHO:

25 (1) RECEIVES A GRADUATE, PROFESSIONAL, OR  
26 UNDERGRADUATE DEGREE FROM:

27 (I) A COLLEGE OR UNIVERSITY IN THE STATE; OR

28 (II) A SCHOOL OF MEDICINE;

29 (2) IS LICENSED AS:

30 (I) A PHYSICIAN BY THE STATE BOARD OF PHYSICIANS; OR

1                   (II) A NURSE PRACTITIONER, REGISTERED NURSE, OR  
2 LICENSED PRACTICAL NURSE BY THE STATE BOARD OF NURSING;

3                   (3) OBTAINS EMPLOYMENT FROM AN ELIGIBLE PLACE OF  
4 EMPLOYMENT;

5                   (4) AGREES TO PRACTICE IN AN ELIGIBLE PLACE OF  
6 EMPLOYMENT FOR:

7                   (I) AT LEAST 4 YEARS IF THE INDIVIDUAL IS LICENSED AS  
8 A NURSE; OR

9                   (II) AT LEAST 6 YEARS IF THE INDIVIDUAL IS LICENSED AS A  
10 PHYSICIAN; AND

11                  (5) SATISFIES ANY OTHER CRITERIA ESTABLISHED BY THE  
12 OFFICE.

13                  (C) AN APPLICANT FOR ASSISTANCE IN THE REPAYMENT OF A  
14 COMMERCIAL LOAN SHALL DEMONSTRATE TO THE OFFICE THAT THE  
15 COMMERCIAL LOAN WAS USED FOR TUITION, EDUCATIONAL EXPENSES, OR  
16 LIVING EXPENSES FOR GRADUATE OR UNDERGRADUATE STUDY.

17                  (D) THE DEPARTMENT MAY NOT EMPLOY MORE THAN ONE STAFF  
18 MEMBER TO ADMINISTER THE DEPARTMENT'S PORTION OF THE PROGRAM  
19 ESTABLISHED UNDER THIS SECTION.

20 **18-2803.**

21                  THE PROGRAM SHALL PROVIDE REPAYMENT ASSISTANCE TO QUALIFYING  
22 INDIVIDUALS IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

23                  (1) 60% OF AN INDIVIDUAL'S TOTAL QUALIFYING DEBT IF THE  
24 INDIVIDUAL IS EMPLOYED BY AN ELIGIBLE PLACE OF EMPLOYMENT FOR THE  
25 TIME PERIOD REQUIRED UNDER § 18-2802(B)(2) OF THIS SUBTITLE; AND

26                  (2) AN ADDITIONAL 10% OF AN INDIVIDUAL'S TOTAL REMAINING  
27 QUALIFYING DEBT FOR EACH YEAR THE INDIVIDUAL IS EMPLOYED BY AN  
28 ELIGIBLE PLACE OF EMPLOYMENT FOR UP TO 4 YEARS AFTER THE INITIAL 4  
29 YEARS IS SERVED.

30 **18-2804.**

1           **(A) THE OFFICE OF STUDENT FINANCIAL ASSISTANCE SHALL ADOPT**  
2 **REGULATIONS TO ESTABLISH:**

3                   **(1) THAT PRIORITY FOR PARTICIPATION IN THE PROGRAM SHALL**  
4 **BE GIVEN TO INDIVIDUALS WHO:**

5                           **(I) GRADUATED FROM AN INSTITUTION OF HIGHER**  
6 **EDUCATION IN THE LAST 3 YEARS; AND**

7                           **(II) ARE RESIDENTS OF THE STATE;**

8                   **(2) A PROCEDURE AND SCHEDULE FOR THE PAYMENT OF THE**  
9 **AMOUNT OF LOAN ASSISTANCE PROVIDED BY THE OFFICE OF STUDENT**  
10 **FINANCIAL ASSISTANCE TO ELIGIBLE INDIVIDUALS; AND**

11                   **(3) AN ANNUAL REVIEW OF THE ELIGIBILITY OF EACH**  
12 **INDIVIDUAL PARTICIPATING IN THE PROGRAM.**

13           **(B) THE OFFICE OF STUDENT FINANCIAL ASSISTANCE SHALL ADOPT**  
14 **ANY OTHER REGULATIONS NECESSARY TO IMPLEMENT THIS SUBTITLE.**

15 **18-2805.**

16           **FUNDS FOR THE MEDICAL EDUCATION LOAN ASSISTANCE REPAYMENT**  
17 **PROGRAM SHALL BE PROVIDED BY THE GOVERNOR ON AN ANNUAL BASIS IN**  
18 **THE STATE BUDGET.**

19 **18-2806.**

20           **SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE**  
21 **OFFICE OF STUDENT FINANCIAL ASSISTANCE SHALL REPORT TO THE GENERAL**  
22 **ASSEMBLY ON OR BEFORE JANUARY 1 OF EACH YEAR ON THE**  
23 **IMPLEMENTATION OF THE MEDICAL EDUCATION LOAN ASSISTANCE**  
24 **REPAYMENT PROGRAM.**

25           **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**  
26 **October 1, 2009.**