

HOUSE BILL 393

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4lr1426

By: **Delegates Stein, Rosenberg, Glenn, Kach, Lafferty, and M. Washington**

Introduced and read first time: January 23, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Loan Repayment Program for Home Buyers in**
3 **Distressed Areas – Establishment**

4 FOR the purpose of establishing the Loan Repayment Program for Home Buyers in
5 Distressed Areas; requiring the Office of Student Financial Assistance to assist
6 in the repayment of higher education loans owed by certain individuals who buy
7 homes in certain areas of the State; establishing requirements for an applicant
8 to be eligible for the Program; providing that assistance under this Program
9 shall be separate from assistance under the Janet L. Hoffman Loan Assistance
10 Repayment Program; requiring the Office to establish certain regulations to
11 implement the Program; requiring the Governor to include, beginning in a
12 certain fiscal year, a certain amount in the annual budget bill for the Program;
13 requiring the Office to make a certain report to the General Assembly on or
14 before a certain date each year; defining certain terms; and generally relating to
15 the Loan Repayment Program for Home Buyers in Distressed Areas.

16 BY adding to

17 Article – Education

18 Section 18–15A–01 through 18–15A–05 to be under the new subtitle “Subtitle
19 15A. Loan Repayment Program for Home Buyers in Distressed Areas”

20 Annotated Code of Maryland

21 (2008 Replacement Volume and 2013 Supplement)

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

24 **Article – Education**

25 **SUBTITLE 15A. LOAN REPAYMENT PROGRAM FOR HOME BUYERS IN**
26 **DISTRESSED AREAS.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **18-15A-01.**

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

4 (B) “DISTRESSED AREA” MEANS AN AREA WHERE AT LEAST 51% OF THE
5 POPULATION QUALIFIES AS LOW AND MODERATE INCOME AS DEFINED BY THE
6 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

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

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

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

15 (D) “HOFFMAN REPAYMENT PROGRAM” MEANS THE JANET L.
16 HOFFMAN LOAN ASSISTANCE REPAYMENT PROGRAM ESTABLISHED UNDER
17 TITLE 15 OF THIS ARTICLE.

18 (E) “OFFICE” MEANS THE OFFICE OF STUDENT FINANCIAL
19 ASSISTANCE AS DEFINED IN § 18-101(C) OF THIS TITLE.

20 (F) “PROGRAM” MEANS THE LOAN REPAYMENT PROGRAM FOR HOME
21 BUYERS IN DISTRESSED AREAS.

22 **18-15A-02.**

23 (A) THERE IS A PROGRAM TO ASSIST IN THE REPAYMENT OF HIGHER
24 EDUCATION LOANS KNOWN AS THE LOAN REPAYMENT PROGRAM FOR HOME
25 BUYERS IN DISTRESSED AREAS.

26 (B) THE OFFICE SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT OF
27 ANY HIGHER EDUCATION LOAN OWED BY AN INDIVIDUAL WHO:

28 (1) IS A PARTICIPANT IN THE HOFFMAN REPAYMENT PROGRAM;

1 **(2) HAS BOUGHT A HOME IN A DISTRESSED AREA OF THE STATE;**
2 **AND**

3 **(3) SATISFIES ANY OTHER CRITERIA ESTABLISHED BY THE**
4 **OFFICE.**

5 **(C) ANY LOAN REPAYMENT ASSISTANCE GIVEN TO A PARTICIPANT**
6 **UNDER THIS PROGRAM IS SEPARATE FROM ANY ASSISTANCE GIVEN UNDER THE**
7 **HOFFMAN REPAYMENT PROGRAM.**

8 **18-15A-03.**

9 **(A) THE OFFICE SHALL ADOPT REGULATIONS TO ESTABLISH:**

10 **(1) THE MAXIMUM NUMBER OF PARTICIPANTS IN THE PROGRAM**
11 **EACH YEAR;**

12 **(2) THE MINIMUM AND MAXIMUM AMOUNT OF LOAN REPAYMENT**
13 **ASSISTANCE FOR A PARTICIPANT UNDER THE PROGRAM; AND**

14 **(3) AN ANNUAL REVIEW OF THE ELIGIBILITY OF EACH**
15 **PARTICIPANT IN THE PROGRAM.**

16 **(B) THE OFFICE SHALL ADOPT ANY OTHER REGULATIONS NECESSARY**
17 **TO IMPLEMENT THIS SUBTITLE.**

18 **18-15A-04.**

19 **BEGINNING IN FISCAL YEAR 2016 AND EACH FISCAL YEAR THEREAFTER,**
20 **THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN**
21 **APPROPRIATION OF \$150,000 FOR THE PROGRAM.**

22 **18-15A-05.**

23 **SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE**
24 **OFFICE SHALL REPORT TO THE GENERAL ASSEMBLY BY JANUARY 1 OF EACH**
25 **YEAR ON THE IMPLEMENTATION OF THE PROGRAM.**

26 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
27 **October 1, 2014.**