

COLLEGE STUDENT AID COMMISSION[283]

Regulatory Analysis

Notice of Intended Action to be published: 283—Chapter 26
“Attorney Loan Repayment Program”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.232
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.232

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 20, 2026
3:30 p.m.

Room B50
Grimes State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

The Commission proposes to adopt new Chapter 26 pursuant to 2026 Iowa Acts, House File 2770, division III. This chapter will establish eligibility requirements, application procedures, award administration, repayment agreements, participant obligations, and program administration for the Attorney Loan Repayment Program. The program is intended to encourage attorneys to practice law in Iowa, with priority given to attorneys practicing in rural areas, through repayment assistance for qualifying student loans. Citations in the proposed chapter to Iowa Code section 256.232 are to that section as enacted in House File 2770.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The proposed rulemaking is not expected to impose significant costs on regulated persons or entities.

- **Classes of persons that will benefit from the proposed rulemaking:**

Eligible attorneys who participate in the Attorney Loan Repayment Program will benefit through repayment assistance for qualifying student loans.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

The number of individuals who will participate in the Attorney Loan Repayment Program will depend on available funding, the number of eligible applicants, and program demand.

- **Qualitative description of impact:**

The proposed rulemaking will establish a clear, consistent, and transparent process for administering the Attorney Loan Repayment Program.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Commission will incur administrative costs associated with implementing and administering the Attorney Loan Repayment Program, including developing application procedures, reviewing applications, executing agreements, monitoring participant compliance, processing awards, and maintaining program records.

- **Anticipated effect on State revenues:**

The proposed rulemaking is not anticipated to have a direct effect on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The proposed rulemaking establishes the procedures necessary to implement and administer the Attorney Loan Repayment Program as authorized by statute. The costs associated with the proposed rulemaking are primarily administrative and include program implementation, application review, participant monitoring, and program oversight by the Commission.

The benefits of the proposed rulemaking include providing a consistent and transparent process for administering loan repayment assistance, increasing access to financial support for eligible attorneys, and supporting efforts to recruit and retain attorneys in Iowa, particularly in areas experiencing workforce shortages.

Inaction would prevent the Commission from establishing the administrative framework necessary to operate the program effectively, resulting in uncertainty for potential applicants and limiting the State's ability to use the program as intended to address attorney workforce needs.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The Commission has determined that no less costly or less intrusive method exists to achieve the purpose of the proposed rulemaking.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the agency:**

No other methods were seriously considered by the Commission since the method proposed is the most cost-efficient and seamless for all entities involved.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Alternative methods were rejected because they would lead to additional burden on applicants, eligible institutions, and the Commission.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following new 283—Chapter 26:

CHAPTER 26
ATTORNEY LOAN REPAYMENT PROGRAM

283—26.1(256) Purpose. The purpose of this chapter is to implement Iowa Code section 256.232 as enacted by 2026 Iowa Acts, House File 2770, division III, establishing the attorney loan repayment program administered by the college student aid commission to recruit and retain attorneys to provide indigent defense legal services in Iowa.

283—26.2(256) Definitions. For purposes of this chapter:

“*Commission*” means the college student aid commission.

“*Eligible attorney*” means an attorney who satisfies the requirements of Iowa Code section 256.232(2) and this chapter.

“*Eligible loan*” means the attorney’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the attorney’s federal graduate plus loans, or the attorney’s federal Perkins loan, including principal and interest. Federal direct consolidation loans comprised of eligible loan(s) are also included.

“*Indigent defense services*” means court-appointed legal services provided pursuant to rule 493—1.3(13B).

“*Law school*” means a law school accredited by the American Bar Association or another accrediting body recognized by the commission.

“*Program*” means the attorney loan repayment program established pursuant to Iowa Code section 256.232.

“*Rural area*” means a county or municipality that has a population of less than 26,000 and is located more than 20 miles from a city with a population of at least 50,000, based on the most recent federal decennial census.

283—26.3(256) Eligibility requirements. An applicant shall satisfy all of the following requirements to be eligible to participate in the program:

1. Be a graduate of an accredited law school within five years of the time of application to the program.
2. Be licensed to practice or will be licensed to practice law in Iowa.
3. Have an outstanding balance on eligible loan(s).
4. Submit a complete application and all required documentation by the deadline established by the commission.
5. Commit to practicing law in accordance with the selection priorities provided on their application, as executed through a program agreement.

283—26.4(256) Application process.

26.4(1) *Application period.* The commission shall establish annual application periods and publish application materials on the commission's website.

26.4(2) *Required documentation.* Applicants shall submit documentation required by the commission, which may include but is not limited to:

- a. Proof of graduation from an accredited law school.
- b. Proof of Iowa licensure and good standing.
- c. Documentation of eligible loan balances.
- d. Documentation of primary residence.
- e. Verification of indigent defense service commitments and location(s) of practice.
- f. Any additional information required by the commission to determine eligibility or priority status.

283—26.5(256) Selection priorities.

26.5(1) Subject to available funding, the commission shall prioritize applicants in accordance with Iowa Code section 256.232(4).

26.5(2) Priority shall be given in the following order:

a. Attorneys who reside and practice law in rural areas of the state and provide a minimum of 50 hours of indigent defense services annually. If necessary, preference is given to attorneys who graduated from an Iowa law school or an Iowa high school or who completed private instruction pursuant to Iowa Code chapter 299A.

b. Attorneys who practice law in rural areas of the state and provide a minimum of 100 hours of indigent defense services annually. If necessary, preference is given to attorneys who graduated from an Iowa law school or an Iowa high school or who completed private instruction pursuant to Iowa Code chapter 299A.

c. Attorneys who practice law in Iowa and provide 200 hours of indigent defense services annually. If necessary, preference is given to attorneys who graduated from an Iowa law school or an Iowa high school or who completed private instruction pursuant to Iowa Code chapter 299A.

26.5(3) In the event eligible applications exceed available funding, the commission may consider additional factors, including:

- a. Date of law school graduation, with preference to most recent graduates.
- b. Geographic distribution of participants.

283—26.6(256) Program agreements.

26.6(1) Approved applicants shall enter into a written agreement with the commission.

26.6(2) The agreement shall specify all of the following:

- a. The term of participation.
- b. Residency and practice location requirements.
- c. Award amount and the schedule of loan repayment installments.
- d. Documentation and reporting requirements.
- e. Conditions constituting and consequences for breach of the program agreement.

26.6(3) An agreement shall not become effective until executed by both the participant and the commission.

283—26.7(256) Loan repayment awards.

26.7(1) New award recipients are limited to 25 in a single year, and total recipients shall not exceed 150 attorneys at any time.

26.7(2) Subject to available funding, an eligible attorney who enters into and remains in compliance with a program agreement shall receive loan repayment assistance in an amount not to exceed the lesser of \$10,000 per year or the outstanding balance of the attorney's eligible loan.

26.7(3) Loan repayment assistance may be provided for each year of eligible service during a period of not more than six consecutive years.

26.7(4) In the event an attorney who receives loan repayment assistance ceases to practice law in accordance with the program agreement, the loan repayment assistance shall terminate immediately, the loan repayment assistance shall be prorated for the months the attorney complied with the agreement, and no further payment shall be made.

283—26.8(256) Participant responsibilities. Program participants shall:

1. Maintain active licensure and good standing to practice law in Iowa.
2. Complete eligible service obligations required under the program agreement.
3. Provide annual certifications and documentation required by the commission.
4. Notify the commission within 30 calendar days of any material change affecting eligibility or compliance.

These rules are intended to implement Iowa Code section 256.232.