

MAR 13 1997
EDUCATION

HOUSE FILE 627
BY FALCK

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to loan reimbursement payments to a person who
2 teaches in a designated teacher shortage area.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 627

1 Section 1. NEW SECTION. 261.44A TEACHER SHORTAGE LOAN
2 PAYMENTS.

3 An individual is eligible for reimbursement payments under
4 the guaranteed loan payment program if the individual meets
5 all of the following conditions:

6 1. Is a teacher employed on a full-time basis under
7 sections 279.13 through 279.19 in a school district in this
8 state, is a teacher in an accredited nonpublic school in this
9 state, or is a licensed teacher at the Iowa braille and sight
10 saving school or the Iowa school for the deaf.

11 2. As of the beginning of a school year, has an
12 outstanding debt with an eligible lender under the Iowa
13 guaranteed loan program or has parents with an outstanding
14 debt with an eligible lender under the PLUS loan program.

15 3. Has never defaulted on a loan guaranteed by the
16 commission or by the federal government.

17 4. Teaches in an area the state department of education,
18 in consultation with the United States department of
19 education, has designated as a teacher shortage area.

20 5. The maximum annual reimbursement payment to an eligible
21 teacher for loan repayments made during a school year is one
22 thousand dollars or the remainder of the teacher's loan,
23 whichever is less. Total payments for an eligible teacher
24 shall not exceed six thousand dollars. If a teacher fails to
25 complete a year of teaching in an eligible course in a teacher
26 shortage area, designated under subsection 4, the teacher
27 shall not be reimbursed for loan repayments made during that
28 school year.

29 6. The commission may sign contracts with eligible
30 students at or after the time of loan origination to assure
31 loan repayment.

32 EXPLANATION

33 This bill provides that a person is eligible for
34 reimbursement payments under the guaranteed loan payment
35 program if the individual is a full-time teacher at an

1 accredited school, has an outstanding debt with an eligible
2 lender under the Iowa guaranteed loan program or whose parents
3 have an outstanding debt in the PLUS program, has never
4 defaulted on a college student aid commission loan or federal
5 loan, and teaches in an area the state department of
6 education, in consultation with the United States department
7 of education, has designated a teacher shortage area.

8 The maximum annual amount of reimbursement under the bill
9 is \$1,000 or the remainder of the teacher's loan, whichever is
10 less. Total payments are limited to \$6,000. If the teacher
11 fails to finish the year of instruction in a designated
12 teacher shortage area, no reimbursements shall be made to the
13 teacher for that year.

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