

SENATE FILE 2170  
BY KREIMAN HUMAN RESOURCES

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act creating a forgivable loan program under the college  
2 student aid commission for certain persons who were placed in  
3 foster care or another out-of-home placement.

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

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SF 2170 HUMAN RESOURCES

1 Section 1. NEW SECTION. 261.112 FOSTERING ACHIEVEMENT  
2 FORGIVABLE LOAN PROGRAM.

3 1. A fostering achievement forgivable loan program is  
4 established to be administered by the college student aid  
5 commission for eligible persons. For purposes of this  
6 section, unless the context otherwise requires, "eligible  
7 person" means a person who meets both of the following  
8 conditions:

9 a. The person was subject to a court order under chapter  
10 232, division III or IV, which transferred the custody of the  
11 person to the department of human services and the person was  
12 in a foster care placement or another out-of-home placement  
13 for a period of six months or longer any of the following  
14 times in the person's life:

15 (1) The day of the person's eighteenth birthday.

16 (2) The day of the person's fourteenth birthday, if the  
17 person was eligible for adoption on or after that date.

18 (3) The day on which the person graduated from high school  
19 or received the equivalent of a high school diploma.

20 b. The person enrolls in an undergraduate course of study  
21 at a community college as defined in section 260C.2, an  
22 institution of higher learning under the control of the state  
23 board of regents, or an accredited private institution as  
24 defined in section 261.9 on or before the third anniversary of  
25 the date the person was discharged from foster care, graduated  
26 from high school, or received the equivalent of a high school  
27 diploma.

28 2. The amount of a fostering achievement forgivable loan  
29 shall not exceed the resident tuition rate established for  
30 institutions of higher learning under the control of the state  
31 board of regents.

32 3. Forgivable loans to eligible persons shall not become  
33 due until after the eligible person graduates or leaves  
34 school. Interest on the loans shall begin to accrue the day  
35 following the person's graduation date. If the person remains

1 a resident of the state and is employed in the state, the  
2 person's total loan amount, including principal and interest,  
3 shall be reduced by twenty-five percent for each year in which  
4 the person remains an Iowa resident and is employed in Iowa.  
5 If the commission determines that the person does not meet the  
6 criteria for forgiveness of the principal and interest  
7 payments, the commission shall establish a plan for repayment  
8 of the principal and interest. If the person required to make  
9 repayment fails to make the required payments, the commission  
10 shall provide for payment collection.

11 4. A fostering achievement forgivable loan revolving fund  
12 is created in the state treasury as a separate fund under the  
13 control of the commission. The commission shall deposit  
14 payments made by fostering achievement forgivable loan  
15 recipients and the proceeds from the sale of fostering  
16 achievement forgivable loans into the fostering achievement  
17 forgivable loan revolving fund. Moneys credited to the fund  
18 shall be used to supplement moneys appropriated for the  
19 fostering achievement forgivable loan program.  
20 Notwithstanding section 8.33, any balance in the fund on June  
21 30 of any fiscal year shall not revert to the general fund of  
22 the state.

23 5. The commission shall adopt rules pursuant to chapter  
24 17A to administer this section.

25 EXPLANATION

26 This bill establishes a fostering achievement forgivable  
27 loan program for persons who were placed in foster care or  
28 another out-of-home placement.

29 Under the program, which is administered by the college  
30 student aid commission, persons who were in the custody of the  
31 department of human services under a child in need of  
32 assistance or termination of parental rights court order and  
33 in foster care placement for a period of six months or longer  
34 the day prior to their eighteenth birthday, the day of their  
35 fourteenth birthday if eligible for adoption, or the day of

1 high school graduation or the receipt of an equivalency  
2 diploma, are eligible for the program. The eligible person  
3 must enroll in an undergraduate course of study at a community  
4 college, regents university, or accredited private  
5 postsecondary institution in Iowa and the amount of the loan  
6 shall not exceed the resident tuition rate established for  
7 regents universities.

8 Forgivable loans become due after the person graduates or  
9 leaves school. Upon graduation, the person's total loan  
10 amount, including principal and interest, is reduced by 25  
11 percent for each year in which the person remains an Iowa  
12 resident and is employed in Iowa. If the person fails to meet  
13 the loan criteria, the commission is directed to establish a  
14 plan for repayment of the principal and interest and to  
15 provide for debt collection if the person fails to make the  
16 required payments.

17 The bill creates a fostering achievement forgivable loan  
18 revolving fund in the state treasury for the deposit of such  
19 payments. Moneys in the fund are to be used to supplement  
20 moneys in the program.

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