

**House File 479 - Introduced**

HOUSE FILE 479

BY FINKENAUER

**A BILL FOR**

1 An Act to establish a nurturing Iowans loan reimbursement  
2 program and fund under the administration and control of the  
3 college student aid commission.

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

1 Section 1. NEW SECTION. 261.117 Nurturing Iowans loan  
2 reimbursement program.

3 1. For purposes of this section:

4 a. "*Eligible individual*" means an individual who graduated  
5 from an accredited college or university with a baccalaureate  
6 or higher degree and who resides in and is employed full-time  
7 in this state for at least one full year prior to receiving  
8 reimbursements under subsection 3. To maintain eligibility  
9 in order to continue participating beyond the first year  
10 in the program, the individual shall annually reapply to  
11 the commission and submit any information requested by the  
12 commission as set forth in subsection 2.

13 b. "*Eligible loan*" means the eligible individual's total  
14 federally guaranteed Stafford loan amount under the federal  
15 family education loan program or the eligible individual's  
16 federal direct loan program, the amount of the eligible  
17 individual's federal grad plus loans, or the amount of the  
18 eligible individual's federal Perkins loan, including principal  
19 and interest.

20 2. Subject to an appropriation by the general assembly for  
21 this purpose, a nurturing Iowans loan reimbursement program  
22 is established to be administered by the college student  
23 aid commission for purposes of providing loan reimbursement  
24 payments for individuals who remain in Iowa and are employed in  
25 the state upon graduating from an accredited public or private  
26 postsecondary institution.

27 3. An individual shall be eligible for the loan  
28 reimbursement program if, upon graduating from an accredited  
29 public or private postsecondary institution with a  
30 baccalaureate or higher degree, the individual resides in and  
31 is employed full-time in this state. An eligible individual  
32 may apply to the commission to participate in the program and  
33 shall submit any information requested in connection with the  
34 program, including but not limited to information regarding  
35 the eligible individual's outstanding loans and loan payments,

1 academic status, and employment.

2 4. An eligible individual shall receive reimbursement  
3 payments under the program for each of the fiscal years  
4 following the first full calendar year of residence in this  
5 state as follows or until the twelve months following the  
6 fiscal year in which the eligible loans are paid in full:

7 a. For the first fiscal year, an amount equivalent to five  
8 percent of the amount of loan payments made by the eligible  
9 individual on eligible loans in the prior fiscal year.

10 b. For the second fiscal year, an amount equivalent to ten  
11 percent of the amount of loan payments made by the eligible  
12 individual on eligible loans in the prior fiscal year.

13 c. For the third fiscal year, an amount equivalent to  
14 fifteen percent of the amount of loan payments made by the  
15 eligible individual on eligible loans in the prior fiscal year.

16 d. For the fourth fiscal year, an amount equivalent to  
17 twenty percent of the amount of loan payments made by the  
18 eligible individual on eligible loans in the prior fiscal year.

19 e. For the fifth fiscal year, an amount equivalent to  
20 twenty-five percent of the amount of loan payments made by the  
21 eligible individual on eligible loans in the prior fiscal year.

22 f. For the sixth fiscal year, an amount equivalent to thirty  
23 percent of the amount of loan payments made by the eligible  
24 individual on eligible loans in the prior fiscal year.

25 g. For the seventh fiscal year, an amount equivalent to  
26 forty percent of the amount of loan payments made by the  
27 eligible individual on eligible loans in the prior fiscal year.

28 h. For the eighth fiscal year, an amount equivalent to fifty  
29 percent of the amount of loan payments made by the eligible  
30 individual on eligible loans in the prior fiscal year.

31 5. A nurturing Iowans loan reimbursement fund is created  
32 in the state treasury as a separate fund under the control  
33 of the commission and shall consist of moneys appropriated  
34 by the general assembly and any other moneys received by  
35 the commission for deposit in the fund. Moneys in the fund

1 are appropriated to the commission for the purposes of the  
2 program. Notwithstanding section 8.33, any balance in the  
3 fund on June 30 of any fiscal year shall not revert to the  
4 general fund of the state but shall remain in the fund and  
5 be continuously available for loan reimbursement under the  
6 program. Notwithstanding section 12C.7, subsection 2, interest  
7 or earnings on moneys deposited in the fund shall be credited  
8 to the fund.

9 6. The commission shall adopt rules pursuant to chapter 17A  
10 to administer this section.

11

EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

14 This bill establishes, subject to an appropriation by the  
15 general assembly for such purpose, a nurturing Iowans loan  
16 reimbursement program and fund under administration and control  
17 of the college student aid commission for purposes of providing  
18 loan reimbursement payments for eligible individuals who remain  
19 in Iowa as residents and are employed full-time in the state  
20 upon graduating with a baccalaureate degree or a higher degree  
21 from an accredited public or private postsecondary institution.

22 An eligible individual may apply to the commission to  
23 participate in the program and must submit any information  
24 requested by the commission in connection with the program.

25 Under the program, the commission begins reimbursement  
26 payments to an eligible individual following the individual's  
27 first full calendar year of residence in this state. The first  
28 reimbursement payment an eligible individual qualifies for is  
29 5 percent of the amount of loan payments made by the eligible  
30 individual on eligible loans in the prior fiscal year. The  
31 amounts increase by five percentage points per year for each of  
32 the next five years for which the individual remains eligible  
33 for the program, then increase by 10 percentage points per year  
34 for the seventh and eighth years of eligibility, making the  
35 individual eligible for reimbursement payments in the eighth

1 year equivalent to 50 percent of the amount of loan payments  
2 made by the eligible individual on eligible loans in the prior  
3 fiscal year.

4 Under the bill, "eligible loan" means the eligible  
5 individual's total federally guaranteed Stafford loan amount  
6 under the federal family education loan program or the eligible  
7 individual's federal direct loan program, the amount of the  
8 eligible individual's federal grad plus loans, or the amount  
9 of the eligible individual's federal Perkins loan, including  
10 principal and interest.

11 A nurturing Iowans loan reimbursement fund is created in  
12 the state treasury as a separate fund under the control of the  
13 commission for deposit of moneys appropriated by the general  
14 assembly or received by the commission for deposit in the fund.  
15 Moneys in the fund are appropriated to the commission for use  
16 under the program. Moneys in the fund do not revert to the  
17 general fund of the state, and interest earned on the fund is  
18 credited to the fund, to be continuously available for loan  
19 reimbursement under the program.