

House Study Bill 558 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON EDUCATION BILL BY
CHAIRPERSON DOLECHECK)

A BILL FOR

1 An Act relating to loan repayment for refinanced eligible loans
2 under the rural physician loan repayment program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.113, subsection 5, paragraph b, Code
2 2020, is amended by striking the paragraph.

3 Sec. 2. Section 261.113, Code 2020, is amended by adding the
4 following new subsections:

5 NEW SUBSECTION. 5A. *Refinanced loans.* A loan repayment
6 recipient who refinances an eligible loan by obtaining a
7 private educational loan may continue to receive loan repayment
8 under this section if the amount of loan repayment does not
9 exceed the lesser of the amount specified in subsection 5 or
10 the balance of the loan repayment amount the loan repayment
11 recipient qualified to receive with the eligible loan.

12 NEW SUBSECTION. 5B. *Program agreement limitation.* The
13 commission shall not enter into more than twenty program
14 agreements annually. The percentage of agreements entered
15 into by students attending eligible universities shall be
16 evenly divided. However, if there are fewer applicants at
17 one eligible university, eligible student applicants enrolled
18 in other eligible universities may be awarded the remaining
19 agreements.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill permits a loan repayment recipient under the rural
24 physician loan repayment program to continue to receive loan
25 repayment after refinancing an eligible federal loan with a
26 private educational loan. However, the loan repayment amount
27 cannot exceed the lesser of the amount of loan repayment
28 allowed under the program or the balance of the loan repayment
29 amount the loan repayment recipient qualified to receive with
30 the eligible loan.

31 The bill includes a technical change that moves to a new
32 subsection language limiting the commission to entering into
33 not more than 20 program agreements annually.