

**Senate File 253 - Introduced**

SENATE FILE 253  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1024)

**A BILL FOR**

1 An Act relating to loan repayments made by the college student  
2 aid commission under the mental health professional loan  
3 repayment program and including applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.117, subsection 2, Code 2023, is  
2 amended to read as follows:

3 2. *Program established.* A mental health professional loan  
4 repayment program is established to be administered by the  
5 commission for purposes of providing annual loan repayments  
6 for mental health professionals who agree to practice in an  
7 eligible practice area and meet the requirements of this  
8 section.

9 Sec. 2. Section 261.117, subsection 3, paragraph a,  
10 unnumbered paragraph 1, Code 2023, is amended to read as  
11 follows:

12 The mental health professional and the commission shall  
13 enter into a program agreement. Under the agreement, to  
14 receive annual loan repayments pursuant to [subsection 5](#), a  
15 mental health professional shall agree to and shall engage in  
16 either of the following:

17 Sec. 3. Section 261.117, subsection 4, paragraph b, Code  
18 2023, is amended to read as follows:

19 *b.* If a mental health professional fails to fulfill the  
20 obligation to engage in practice in accordance with subsection  
21 3, ~~the mental health professional shall be subject to repayment~~  
22 ~~to the commission of loan repayment amounts the commission paid~~  
23 ~~to the mental health professional pursuant to [subsection 5](#) plus~~  
24 ~~interest as specified by rule shall not make additional loan~~  
25 repayments to the mental health professional.

26 Sec. 4. Section 261.117, subsection 5, Code 2023, is amended  
27 to read as follows:

28 5. *Loan repayment amounts.* The

29 *a.* After the completion of a year of full-time practice, the  
30 annual amount of loan repayment the commission may make to a  
31 mental health professional who enters into a program agreement  
32 pursuant to [subsection 3](#), if the mental health professional  
33 is in compliance with obligations under the agreement, shall  
34 be the lesser of eight thousand dollars for an eligible loan  
35 or the remaining balance of the mental health professional's

1 eligible loan.

2 b. After the completion of a year of part-time practice, the  
3 annual amount of loan repayment the commission may make to a  
4 mental health professional who enters into a program agreement  
5 pursuant to subsection 3, if the mental health professional is  
6 in compliance with obligations under the agreement, shall be  
7 the lesser of the same amount of loan repayment the commission  
8 may make pursuant to paragraph "a" prorated based on the number  
9 of hours of practice in the mental health professional's  
10 workweek or the remaining balance of the mental health  
11 professional's eligible loan.

12 c. The total amount of loan repayments from the commission  
13 to a mental health professional under **this subsection** shall not  
14 exceed forty thousand dollars.

15 Sec. 5. APPLICABILITY. This Act applies to individuals who  
16 receive loan repayments under the mental health professional  
17 loan repayment program on or after the effective date of this  
18 Act.

19 EXPLANATION

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

22 This bill relates to loan repayments made by the college  
23 student aid commission under the mental health professional  
24 loan repayment program (program).

25 The program provides loan repayments for mental health  
26 professionals who agree to practice in an eligible practice  
27 area, as defined in Code section 261.117, for five years if the  
28 individual engages in full-time practice or for seven years  
29 if the individual engages in part-time practice. The bill  
30 provides that the college student aid commission is to make  
31 loan repayments annually after the completion of each year of  
32 practice.

33 Current law requires an individual who receives loan  
34 repayments under the program to repay the commission the  
35 total amount of the loan repayments if the individual fails

1 to fulfill the obligation to practice as a mental health  
2 professional in a service area for the applicable amount of  
3 time. The bill strikes this requirement. The bill provides  
4 that if the individual fails to fulfill the obligation to  
5 practice as a mental health professional in a service area for  
6 the applicable amount of time, the commission is prohibited  
7 from making additional loan repayments to the individual.

8 Current law provides that the annual amount of loan  
9 repayment the commission may make to an individual under  
10 the program is \$8,000. The bill provides that, after the  
11 completion of a year of full-time practice, the annual amount  
12 of loan repayment the commission may make to an individual  
13 under the program is the lesser of \$8,000 or the remaining  
14 balance of the individual's eligible loan. Additionally, the  
15 bill provides that, after the completion of a year of part-time  
16 practice, the annual amount of loan repayment the commission  
17 may make to an individual under the program shall be the  
18 lesser of the same amount of loan repayment the commission may  
19 make to an individual who has completed a year of full-time  
20 practice prorated based on the number of hours of practice  
21 in the individual's workweek or the remaining balance of the  
22 individual's eligible loan.

23 The bill applies to individuals who receive loan repayments  
24 under the program on or after the effective date of the bill.