

Senate Study Bill 1025 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED COLLEGE STUDENT
AID COMMISSION BILL)

A BILL FOR

1 An Act relating to individuals who fail to fulfill the
2 obligation to engage in practice in a service commitment
3 area under the rural Iowa primary care loan repayment
4 program and including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.113, subsection 5, Code 2023, is
2 amended to read as follows:

3 5. *Loan repayment amounts.* The amount of loan repayment
4 an eligible student who enters into an agreement pursuant to
5 subsection 3 shall receive if in compliance with obligations
6 under the agreement shall be forty thousand dollars annually
7 for an eligible loan if the total loan amount equals or exceeds
8 two hundred thousand dollars. Payments made pursuant to an
9 agreement entered into under **subsection 3** may be made ~~for~~ after
10 the completion of each year of eligible practice during a
11 period of five consecutive years and shall not exceed a total
12 of two hundred thousand dollars. If the total amount of an
13 eligible student's eligible loan upon graduation is less than
14 two hundred thousand dollars, the commission shall divide the
15 total amount of the eligible student's eligible loan by five
16 to determine the annual amount of loan repayment the loan
17 recipient is eligible to receive.

18 Sec. 2. Section 261.113, subsection 11, paragraph d, Code
19 2023, is amended to read as follows:

20 *d.* If a loan repayment recipient fails to fulfill
21 the obligation to engage in practice in accordance with
22 subsection 3, ~~the recipient shall be subject to repayment to~~
23 ~~the commission of the loan amount plus interest as specified~~
24 ~~by rule~~ shall not make additional loan repayments to the
25 recipient. A loan repayment recipient who fails to meet
26 the requirements of the obligation to engage in practice in
27 accordance with **subsection 3** may also be subject to repayment
28 of moneys advanced by the service commitment area as provided
29 in any agreement with the service commitment area.

30 Sec. 3. APPLICABILITY. This Act applies to individuals who
31 receive loan repayments under the rural Iowa primary care loan
32 repayment program on or after the effective date of this Act.

33

EXPLANATION

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

1 This bill relates to individuals who fail to fulfill the
2 obligation to engage in practice in a service commitment area
3 under the rural Iowa primary care loan repayment program
4 (program).

5 The program provides loan repayments for medical students
6 who agree to practice as physicians for five years in service
7 commitment areas, as defined in Code section 261.113. The bill
8 provides that the college student aid commission is to make
9 loan repayments after the completion of each year of practice.

10 Current law requires an individual who receives loan
11 repayments under the program to repay the commission the total
12 amount of those loan repayments if the individual fails to
13 fulfill the obligation to practice as a physician in a service
14 area for five years. The bill strikes this requirement. The
15 bill provides that, if the individual fails to fulfill the
16 obligation to practice as a physician in a service area for
17 five years, the commission is prohibited from making additional
18 loan repayments to the individual.

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