

House File 2331 - Introduced

HOUSE FILE 2331
BY COMMITTEE ON HIGHER EDUCATION

(SUCCESSOR TO HSB 532)

A BILL FOR

1 An Act creating an attorney loan repayment program, and making
2 appropriations.

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

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1 Section 1. NEW SECTION. **256.232 Attorney loan repayment**
2 **program — fund.**

3 1. *Program established.* The college student aid commission
4 shall establish an attorney loan repayment program to encourage
5 attorneys to remain and practice law in this state.

6 2. *Eligibility.* An individual is eligible to apply to enter
7 into a program agreement with the college student aid commission
8 pursuant to subsection 3 if the individual meets all of the
9 following requirements:

10 a. Is a graduate of the college of law at the state
11 university of Iowa.

12 b. Is licensed to practice law in Iowa.

13 c. Is practicing law in Iowa at the time of application or
14 commits to begin practicing law in this state upon execution of a
15 program agreement.

16 3. *Program agreements.* An agreement shall be entered into
17 by an eligible attorney and the college student aid commission.
18 Under the agreement, to receive loan repayments pursuant to
19 subsection 5, an eligible attorney shall agree to and fulfill all
20 of the following requirements:

21 a. Remain and practice law in Iowa during each year for which
22 loan repayment assistance is received.

23 b. Provide not less than fifty hours per year of legal
24 services as an indigent defense attorney.

25 4. *Priority.* In awarding loan repayment assistance under
26 this section, the commission shall give priority to attorneys who
27 practice law in rural areas of the state. For purposes of this
28 section, "rural area" means a county or municipality that has a
29 population of less than twenty-six thousand and is located more
30 than twenty miles from a city with a population of at least fifty
31 thousand, based on the most recent federal decennial census.

32 5. *Loan repayment assistance.* An eligible attorney who
33 enters into and remains in compliance with a program agreement
34 pursuant to subsection 3 shall receive loan repayment assistance
35 in an amount not to exceed ten thousand dollars per year or the

1 outstanding balance of the attorney's eligible loans, whichever
2 is less. Loan repayment assistance may be provided for each
3 year of eligible practice during a period of not more than
4 six consecutive years. The total amount of loan repayment
5 assistance an attorney may receive under the program shall not
6 exceed the total outstanding balance of the attorney's eligible
7 student loans at the time the program agreement is executed. For
8 purposes of this section, "eligible loan" means the attorney's
9 total federally guaranteed Stafford loan amount under the federal
10 family education loan program or the federal direct loan program,
11 the attorney's federal graduate plus loans, or the attorney's
12 federal Perkins loan, including principal and interest.

13 6. *Fund established.* An attorney loan repayment program fund
14 is created in the state treasury under the control of the college
15 student aid commission. The commission may accept gifts, grants,
16 bequests, and other private contributions, as well as state or
17 federal moneys, for deposit in the fund. All moneys deposited
18 in the fund are appropriated to the commission to be used for
19 purposes of this section. Notwithstanding section 8.33, moneys
20 in the fund that remain unencumbered or unobligated at the close
21 of a fiscal year shall not revert but shall remain available for
22 expenditure for the purposes designated. Notwithstanding section
23 12C.7, subsection 2, interest or earnings on moneys in the fund
24 shall be credited to the fund.

25 7. *Rules.* The college student aid commission shall adopt
26 rules to administer this section.

27 8. *Limitation.* The program shall not provide assistance for
28 more than one hundred ten attorneys in a single year.

29 EXPLANATION

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

32 This bill establishes an attorney loan repayment program
33 to encourage attorneys to remain and practice law in Iowa.
34 The program is to be administered by the college student aid
35 commission.

1 The bill provides that an individual is eligible to apply for
2 the program if the individual is a graduate of the college of law
3 at the state university of Iowa, is licensed to practice law in
4 Iowa, and is practicing law in Iowa at the time of application or
5 commits to begin practicing law in the state upon execution of a
6 program agreement.

7 The bill requires a program agreement to be entered into by
8 the commission and an eligible attorney. Under the agreement,
9 an attorney must agree to remain and practice law in Iowa during
10 each year for which loan repayment assistance is received and
11 must provide not less than 50 hours per year of legal services as
12 an indigent defense attorney.

13 The bill requires the commission to give priority in awarding
14 loan repayment assistance to attorneys who practice law in rural
15 areas of the state. The bill defines "rural area" as a county
16 or municipality that has a population of less than 26,000 and is
17 located more than 20 miles from a city with a population of at
18 least 50,000, based on the most recent federal decennial census.

19 The bill provides that an eligible attorney who enters into
20 and remains in compliance with a program agreement may receive
21 loan repayment assistance in an amount not to exceed \$10,000
22 per year or the outstanding balance of the attorney's eligible
23 student loans, whichever is less. Loan repayment assistance
24 may be provided for not more than six consecutive years, and
25 the total amount of assistance may not exceed the outstanding
26 balance of the attorney's eligible student loans at the time
27 the agreement is executed. The bill defines "eligible loan" as
28 the attorney's total federally guaranteed Stafford loan amount
29 under the federal family education loan program or the federal
30 direct loan program, the attorney's federal graduate plus loans,
31 or the attorney's federal Perkins loan, including principal and
32 interest.

33 The bill creates an attorney loan repayment program fund in
34 the state treasury under the control of the commission. The fund
35 consists of gifts, grants, bequests, private contributions, and

1 state or federal moneys. Moneys in the fund are appropriated to
2 the commission for purposes of the program, do not revert at the
3 end of a fiscal year, and retain interest earnings.

4 The bill requires the commission to adopt rules to administer
5 the program and limits participation to not more than 110
6 attorneys in a single year.

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