

CHAPTER 1007

COLLEGE STUDENT AID COMMISSION LOAN REPAYMENTS PROGRAMS — REFINANCED STUDENT LOANS

S.F. 2118

AN ACT relating to loan repayment for refinanced student loans under the rural physician loan repayment program, the health care professional recruitment program, and the health care loan repayment program, and including effective date and retroactive applicability provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. [Section 261.113, subsection 5](#), paragraph a, Code 2020, is amended to read as follows:

a. The amount of loan repayment an eligible student who enters into an agreement pursuant to [subsection 3](#) shall receive if in compliance with obligations under the agreement shall ~~not exceed~~ be forty thousand dollars annually for an eligible loan if the total loan amount equals or exceeds two hundred thousand dollars. Payments under [this section](#) may be made for each year of eligible practice during a period of five consecutive years and shall not exceed a total of two hundred thousand dollars. If the total amount of an eligible student's eligible loan upon graduation is less than two hundred thousand dollars, the commission shall divide the total amount of the eligible student's eligible loan by five to determine the annual amount of loan repayment the loan recipient is eligible to receive.

Sec. 2. [Section 261.113, subsection 5](#), paragraph b, Code 2020, is amended by striking the paragraph.

Sec. 3. [Section 261.113](#), Code 2020, is amended by adding the following new subsections:
NEW SUBSECTION. 5A. *Refinanced loans.* A loan repayment recipient who refinances an eligible loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#) if the amount of loan repayment does not exceed the lesser of the amount specified in [subsection 5](#) or the balance of the loan repayment amount the loan repayment recipient qualified to receive with the eligible loan.

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

Sec. 4. [Section 261.115](#), Code 2020, is amended by adding the following new subsection:
NEW SUBSECTION. 2A. A loan repayment recipient who refinances an eligible loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#).

Sec. 5. [Section 261.115, subsection 3](#), Code 2020, is amended to read as follows:

3. A health care professional recruitment fund is created in the state treasury as a separate fund under the control of the commission for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding [section 8.33](#), any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state but shall remain in the fund and be continuously available for loan forgiveness repayment under the program. Notwithstanding [section 12C.7, subsection 2](#), interest or earnings on moneys deposited in the fund shall be credited to the fund.

Sec. 6. [Section 261.116](#), Code 2020, is amended by adding the following new subsection:
NEW SUBSECTION. 4A. *Refinanced loans.* A loan repayment recipient who refinances a qualified student loan by obtaining a private educational loan may continue to receive loan repayment under [this section](#) if the amount of loan repayment does not exceed the lesser of

the amount specified in [subsection 4](#) or the balance of the loan repayment amount the loan repayment recipient qualified to receive with the qualified student loan.

Sec. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 8. RETROACTIVE APPLICABILITY. This Act applies retroactively to January 1, 2019, for recipients of loan repayment under [sections 261.113](#), [261.115](#), and [261.116](#).

Approved March 12, 2020