



Rep. Katie Stuart

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LRB100 03815 NHT 22244 a

1 AMENDMENT TO HOUSE BILL 145

2 AMENDMENT NO. _____. Amend House Bill 145 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Loan
5 Repayment Assistance Act.

6 Section 5. Definitions. For the purposes of this Act:

7 "Commission" means the Illinois Student Assistance
8 Commission.

9 "Eligible debt" means outstanding principal, interest, and
10 related fees from loans obtained for undergraduate higher
11 educational expenses made by government or commercial lending
12 institutions or educational institutions. "Eligible debt"
13 excludes loans made by a private individual or family member.

14 "Program" means the Loan Repayment Assistance Program.

15 "Public institution" means a public institution of higher
16 education that is included in the definition of "public

1 institutions of higher education" under the Board of Higher
2 Education Act.

3 Section 10. Loan Repayment Assistance Program.

4 (a) The Commission shall establish and administer the
5 Program for the purpose of providing loan repayment assistance
6 to eligible applicants living and working in this State who
7 have graduated from a public institution.

8 (b) The Loan Repayment Assistance Fund is created as a
9 special fund in the State treasury. The Fund shall consist of
10 all moneys appropriated to the Fund and all moneys remitted to
11 the Commission under the terms of this Act. All money in the
12 Fund shall be used, subject to appropriation, by the Commission
13 for the purposes of this Act.

14 (c) Subject to the availability of appropriations and
15 subsections (d) and (e) of this Section, the Commission shall
16 distribute funds to eligible applicants.

17 (d) The Commission is authorized to prescribe all rules,
18 policies, and procedures necessary or convenient for the
19 administration of the Program and all terms and conditions
20 applicable to payments made under this Act.

21 (e) The Commission shall administer the Program,
22 including, but not limited to, establishing and implementing
23 the following:

24 (1) An application process. Subject to the
25 availability of appropriations, the Commission shall, each

1 year, consider applications by eligible applicants for
2 loan repayment assistance under the Program.

3 (2) Eligibility requirements. The Commission shall, on
4 an annual basis, receive and consider applications for loan
5 repayment assistance under the Program and provide
6 assistance if the Commission finds that the applicant:

7 (A) has graduated from a public institution as an
8 undergraduate student with a cumulative grade point
9 average of a 4.0 (or the equivalent as determined by
10 the Commission);

11 (B) was a resident of this State while attending
12 the public institution and has been a resident of this
13 State for at least 4 years after graduating from the
14 public institution;

15 (C) has been employed in this State for at least 4
16 years after graduating from the public institution;
17 and

18 (D) has eligible debt in grace or repayment status.

19 (3) A maximum amount of loan repayment assistance for
20 each participant, which shall be \$6,000 per year, up to a
21 maximum of \$30,000 during the participant's career.

22 (4) Prioritization. The Commission shall develop
23 criteria for prioritization among eligible applicants in
24 the event that there are insufficient funds available to
25 make payments to all eligible applicants under this Act.
26 The prioritization criteria shall include the timeliness

1 of the application, the applicant's salary level, the
2 amount of the applicant's eligible debt, the availability
3 of other loan repayment assistance to the applicant, the
4 applicant's length of employment, and the applicant's
5 prior participation in the Program.

6 (f) The distribution of funds available after
7 administrative costs must be made by the Commission to eligible
8 applicants in the following manner:

9 (1) Loan repayment assistance must be in the form of a
10 forgivable loan.

11 (2) To have the loan forgiven, the participant shall
12 (i) complete a year of residence and employment in this
13 State and (ii) make educational debt payments (interest or
14 principal or both) that equal at least the amount of
15 assistance received under the Program during the
16 assistance year.

17 (3) Each loan must be documented by means of a
18 promissory note executed by the borrower in a form provided
19 by the Commission and shall be forgiven when an eligible
20 participant meets the requirements set forth by the
21 Commission.

22 Section 15. Ineligibility and termination of funds. If a
23 participant becomes ineligible during the term of a loan
24 received from the Commission, he or she must repay the
25 outstanding amount of the loan received from the Commission.

1 However, the Commission may, in its discretion, forgive the
2 loan of a participant in whole or in part in certain
3 circumstances as set forth in its written policies and
4 guidelines.

5 Section 20. Other powers. The Commission may make, enter
6 into, and execute contracts, agreements, leases, and other
7 instruments with any person, including without limitation any
8 federal, State, or local governmental agency, and may take
9 other actions that may be necessary or convenient to accomplish
10 any purpose authorized by this Act.

11 Section 90. The State Finance Act is amended by adding
12 Section 5.878 as follows:

13 (30 ILCS 105/5.878 new)

14 Sec. 5.878. The Loan Repayment Assistance Fund."