



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0148

Introduced 1/14/2021, by Rep. Bob Morgan

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.935 new

Creates the Scholars of Service Act. Defines terms. Creates the public service student loan forgiveness grant program, and provides that the Illinois Student Assistance Commission must, each year, receive and consider applications for grant assistance under the program. Specifies grant eligibility requirements, including requiring an applicant to have been enrolled in the federal Public Service Loan Forgiveness Program and been denied federal student loan forgiveness. Provides that after receiving an application from an eligible applicant, the Commission must evaluate if the applicant is eligible to receive financial assistance through any loan forgiveness program of this State and, if eligible, must assist the applicant in applying for that financial assistance, to be used toward his or her federal student loan debt. Provides that after all eligible financial assistance has been awarded to the applicant, the Commission must award the applicant a grant to be used toward any remaining federal student loan debt. Provides that if the Commission finds that a student loan servicer (i) has negligently or intentionally misinformed or misrepresented certain information to an applicant and (ii) the misinformation or misrepresentation led to the applicant's denial of federal student loan forgiveness under the federal Public Service Loan Forgiveness Program, then the Commission must report this finding to the Office of the Attorney General, who may pursue legal action against the student loan servicer. Requires the Commission to adopt rules. Amends the State Finance Act to create the Scholars of Service Fund as a special fund in the State treasury.

LRB102 04397 CMG 14415 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Scholars of Service Act.

6 Section 5. Definitions. In this Act:

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

9 "Student loan servicer" has the meaning given to that term
10 in the Student Loan Servicing Rights Act.

11 Section 10. Public service loan forgiveness grant program.

12 (a) The Commission must, each year, receive and consider
13 applications for grant assistance under this Section. An
14 applicant is eligible for a grant under subsection (c) if the
15 Commission finds that the applicant meets all of the following
16 qualifications:

17 (1) He or she is a resident of this State and a United
18 States citizen or eligible noncitizen.

19 (2) He or she has outstanding federal student loan
20 debt.

21 (3) He or she was enrolled in the federal Public
22 Service Loan Forgiveness Program and has (i) attested, to

1 the best of his or her knowledge and ability, that he or
2 she made a good faith effort to comply with the Program,
3 (ii) made 120 qualifying monthly payments under a
4 qualifying repayment plan during his or her participation
5 in the Program, and (iii) been denied federal student loan
6 forgiveness.

7 (b) All applications for grant assistance to be awarded
8 under this Section shall be made to the Commission in a form as
9 set forth by the Commission. The form of application and the
10 information required to be set forth in the application shall
11 be determined by the Commission, and the Commission shall
12 require eligible applicants to submit with their applications
13 any supporting documents that the Commission deems necessary.

14 (c) After receiving an application from an eligible
15 applicant under this Section, the Commission must evaluate if
16 the applicant is eligible to receive financial assistance
17 through any loan forgiveness program of this State and, if
18 eligible, must assist the applicant in applying for that
19 financial assistance, to be used toward his or her federal
20 student loan debt. After all eligible financial assistance has
21 been awarded to the applicant, the Commission must award the
22 applicant a grant to be used toward any remaining federal
23 student loan debt. The grant amount awarded under this
24 subsection may not exceed the applicant's federal student loan
25 debt and must be used toward the payment of that debt.

1 Section 15. Student loan servicer; misleading an
2 applicant. If the Commission finds that a student loan
3 servicer (i) has negligently or intentionally misinformed or
4 misrepresented certain information to an applicant under this
5 Act and (ii) the misinformation or misrepresentation led to
6 the applicant's denial of federal student loan forgiveness
7 under the federal Public Service Loan Forgiveness Program,
8 then the Commission must report this finding to the Office of
9 the Attorney General, who may pursue legal action against the
10 student loan servicer. The Attorney General may deposit any
11 funds recovered through legal action under this Section into
12 the Scholars of Service Fund.

13 Section 20. The Scholars of Service Fund. The Scholars of
14 Service Fund is created as a special fund in the State
15 treasury. All money in the Scholars of Service Fund shall be
16 used, subject to appropriation, by the Commission to award
17 grants under this Act.

18 Section 90. Rules. The Commission must adopt rules to
19 implement this Act.

20 Section 95. The State Finance Act is amended by adding
21 Section 5.935 as follows:

22 (30 ILCS 105/5.935 new)

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Sec. 5.935. The Scholars of Service Fund.