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## OLR Bill Analysis

### sHB 6689

#### ***AN ACT CONCERNING A CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY REFINANCE LOAN SUBSIDY FOR CERTAIN HEALTH CARE PROFESSIONALS.***

#### **SUMMARY**

This bill requires the Connecticut Higher Education Supplemental Loan Authority (CHESLA) to establish a Nursing and Mental Health Care Professionals Loan Subsidy Program. This program must subsidize interest rates on CHESLA refinancing loans to certain Connecticut-licensed nurses, nurse's aides, psychologists, marital and family therapists, clinical and master social workers, and professional counselors.

Under the bill, CHESLA must enter into a memorandum of agreement with the education commissioner to establish the program's eligibility criteria and administrative guidelines. The authority must also maintain a separate, non-lapsing account to hold funds for the program required by law to be deposited there, including state appropriations and bond sale proceeds.

EFFECTIVE DATE: July 1, 2023

#### **PROGRAM ELIGIBILITY CRITERIA AND ADMINISTRATIVE GUIDELINES**

The bill requires the loan subsidy program eligibility criteria and guidelines to at least include the following:

1. applicant eligibility criteria,
2. interest rates subsidies and principal limits,
3. a process to verify that applicants are actively employed in a clinical setting, and

4. a requirement that an interest rate subsidy through the program ends when a recipient no longer meets the program's requirements during the loan's term.

### **PROGRAM ACCOUNT EXPENDITURES**

The bill requires CHESLA to spend funds in the program's account for refinancing eligible loans under the program. In addition, CHESLA must spend account funds to cover reasonable and necessary expenses for the program's administration and to maintain a reserve to cover any losses from issuing program loans. Under the bill, "eligible loans" are loans in repayment that are (1) CHESLA-issued or (2) issued by another private or governmental lender to finance college or university attendance.

### **COMMITTEE ACTION**

Banking Committee

Joint Favorable Substitute

Yea 12 Nay 0 (03/07/2023)