

HOUSE BILL No. 1340

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-12-18.

Synopsis: Repayment of federal student loans. Establishes the Indiana resident federal student loan repayment program and fund. Requires the commission for higher education to administer the program. Establishes requirements to qualify for federal student loan repayment assistance.

Effective: July 1, 2020.

Dvorak

January 14, 2020, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1340

A BILL FOR AN ACT to amend the Indiana Code concerning higher education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 21-12-18 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]:
4 **Chapter 18. Indiana Resident Federal Student Loan Repayment**
5 **Program and Fund**
6 **Sec. 1. As used in this chapter, "fund" refers to the Indiana**
7 **resident federal student loan repayment fund established by section**
8 **4 of this chapter.**
9 **Sec. 2. As used in this chapter, "program" refers to the Indiana**
10 **resident federal student loan repayment program established by**
11 **section 3 of this chapter.**
12 **Sec. 3. (a) The Indiana resident federal student loan repayment**
13 **program is established.**
14 **(b) The commission shall administer the program.**
15 **(c) Beginning after June 30, 2023, the commission may award**
16 **federal student loan repayment assistance under this chapter to an**
17 **eligible applicant.**



1 **Sec. 4. (a) The Indiana resident federal student loan repayment**
2 **fund is established for the purpose of providing funds to repay**
3 **outstanding federal student loans of residents of Indiana who meet**
4 **the requirements under section 5 of this chapter.**

5 **(b) The fund consists of the following:**

6 **(1) Appropriations made by the general assembly.**

7 **(2) Gifts, grants, devises, or bequests made to the commission**
8 **to achieve the purposes of the fund.**

9 **(c) The commission shall administer the fund.**

10 **(d) The expenses of administering the fund shall be paid from**
11 **money in the fund.**

12 **(e) The treasurer of state shall invest the money in the fund not**
13 **currently needed to meet the obligations of the fund in the same**
14 **manner as other public funds may be invested. Interest that**
15 **accrues from these investments shall be deposited in the fund.**

16 **(f) Money in the fund at the end of a state fiscal year does not**
17 **revert to the state general fund but remains available to be used for**
18 **the purposes of this chapter.**

19 **Sec. 5. Beginning after June 30, 2023, an applicant who meets**
20 **the requirements under this chapter may qualify for federal**
21 **student loan repayment assistance under this chapter. To qualify**
22 **for federal student loan repayment assistance under this chapter,**
23 **an applicant must meet the following conditions:**

24 **(1) Have applied for federal student loan repayment**
25 **assistance on a form supplied by the commission.**

26 **(2) Have graduated with a baccalaureate degree from a state**
27 **educational institution.**

28 **(3) Have an outstanding federal student loan balance.**

29 **(4) Have resided continuously in Indiana after graduating**
30 **from the state educational institution described in subdivision**

31 **(2) for at least the following:**

32 **(A) To receive federal student loan repayment assistance**
33 **under section 6(a)(1) of this chapter, two (2) years.**

34 **(B) To receive federal student loan repayment assistance**
35 **under section 6(a)(2) of this chapter, five (5) years.**

36 **(5) Any other criteria established by the commission.**

37 **Sec. 6. (a) If an applicant meets the requirements and is**
38 **awarded assistance under this chapter, the federal student loan**
39 **repayment assistance awarded under this chapter is equal to the**
40 **following:**

41 **(1) For an applicant who has resided continuously in Indiana**
42 **for at least two (2) years but less than five (5) years after**



1 **graduating from a state educational institution with a**
 2 **baccalaureate degree as described in section 5(2) of this**
 3 **chapter, fifty percent (50%) of the balance of the federal**
 4 **student loan amount that the applicant incurred to obtain the**
 5 **baccalaureate degree from the state educational institution.**

6 **(2) For an applicant who has resided continuously in Indiana**
 7 **for at least five (5) years after graduating from a state**
 8 **educational institution with a baccalaureate degree as**
 9 **described in section 5(2) of this chapter, the balance of the**
 10 **federal student loan amount that the applicant incurred to**
 11 **obtain the baccalaureate degree from the state educational**
 12 **institution.**

13 **(b) An applicant may be awarded federal student loan**
 14 **repayment assistance under this chapter for federal student loans**
 15 **incurred by the applicant to obtain one (1) baccalaureate degree.**
 16 **Federal student loan repayment assistance may not be awarded for**
 17 **any subsequent or additional baccalaureate degrees that the**
 18 **applicant obtains.**

19 **(c) One (1) applicant may apply for and be awarded federal**
 20 **student loan repayment assistance under subsection (a)(1) and**
 21 **(a)(2).**

22 **Sec. 7. Each individual who:**

23 **(1) applies under this chapter; and**

24 **(2) is approved under this chapter;**

25 **shall provide to the commission any information that the**
 26 **commission determines is necessary to administer this chapter.**

27 **Sec. 8. The commission:**

28 **(1) shall adopt rules under IC 4-22-2 that are necessary to**
 29 **ensure that federal student loan repayment assistance**
 30 **awarded under this chapter is used for the repayment of an**
 31 **eligible applicant's federal student loans, including entering**
 32 **into agreements as necessary; and**

33 **(2) may adopt rules under IC 4-22-2 that are necessary to**
 34 **implement this chapter.**

