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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO EDUCATION - GET ON YOUR FEET LOAN FORGIVENESS PROGRAM

Introduced By: Representatives Shekarchi, Kennedy, Regunberg, Tanzi, and Ruggiero

Date Introduced: January 29, 2015

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 16 of the General Laws entitled "EDUCATION" is hereby amended
2 by adding thereto the following chapter:

3 CHAPTER 62.2.

4 THE GET ON YOUR FEET LOAN FORGIVENESS PROGRAM

5 **16-62.2-1. Short title. --** This chapter shall be known and may be cited as "The Get on
6 Your Feet Loan Forgiveness Program."

7 **16-62.2-2. Legislative findings and purpose. --** (a) Studies show that students who
8 graduate with high debt from loans for higher education are less likely to start a small business, or
9 a family, or to purchase a home, and the consequences of defaulting on student loans can prevent
10 a person from ever realizing their goals. Managing the burden in the first years out of college is
11 crucial to starting out strong. Helping students at the start can have lasting effects.

12 (b) The get on your feet loan forgiveness program is designed to help eligible Rhode
13 Island state residents who graduate from post-secondary educational institutions and continue to
14 live in the state to pay nothing on their student loans for the first two (2) years out of school. This
15 will supplement the federal Pay As You Earn (PAYE) income-based loan repayment program.

16 (c) As used in this chapter, the term "program" shall refer to the get on your feet loan
17 forgiveness program, except where the context clearly indicates otherwise.

18 **16-16.2-3. Program provisions. --** For an individual who meets the requirements
19 established in this chapter, the state of Rhode Island will pay the difference between what the

1 federal government covers and the individual's total loan payment. The state will ensure that one
2 hundred percent (100%) of a graduate's loan payments for the first two (2) years are covered so
3 they are not overwhelmed with debt repayments while working to get situated in today's
4 competitive job market. The program shall be administered through the Rhode Island student loan
5 authority established pursuant to chapter 62 of title 16.

6 **16-62.2-4. Program requirements.** -- (a) To be eligible for participation in the get on
7 your feet loan forgiveness program, a student must:

8 (1) Attend a college or university in Rhode Island for at least two (2) years and graduate
9 from said college or university;

10 (2) Continue to reside in the state following graduation from said college for a period of
11 at least two (2) years following graduation and at all times while the person is participating in the
12 program;

13 (3) Participate in the federal Pay as You Earn Repayment Program (PAYE), 20 U.S.C. §
14 1098 e (e); and

15 (4) Earn less than fifty thousand dollars (\$50,000) annually for each calendar year in
16 which a student must repay his or her student loans.

17 (b) Any person who obtains a deferment on the payment of a student loan shall not be
18 entitled to participate in the get on your feet loan forgiveness program for so long as said
19 deferment is in effect.

20 **16-62.2-5. Application and continued eligibility.** -- (a) Application. Any individual
21 seeking to participate in the program pursuant to the provisions of this chapter shall apply to the
22 Rhode Island student loan authority on forms prescribed by the authority containing any
23 information that the authority deems advisable to fulfill the provisions of this program. The
24 authority's executive director, or his or her designee, shall determine the eligibility of each
25 applicant.

26 (b) Continued eligibility. – Any individual deemed eligible to participate in the program
27 shall not less than annually submit to the authority any information that the authority may
28 prescribe to determine the individual's continued eligibility for the program in regard to his or
29 her eligible loan(s).

30 (c) Penalty for failure to maintain eligibility. – In the event the authority determines that
31 an individual is no longer eligible for the participation in the program as provided in this chapter,
32 that individual shall be required to pay the holder of his or her loan forthwith all accrued
33 principal, interest, and any late payment penalties which have accrued during the period of the
34 ineligibility.

1 **16-62.2-6. Regulations. --** The authority may promulgate any rules and regulations that it
2 deems necessary to implement the provisions of the program established pursuant to this chapter.

3 **16-62.2-7. Severability of provisions. --** The provisions of this chapter are severable. If
4 any provisions are deemed invalid by a court of competent jurisdiction, that determination shall
5 not affect the validity of the remaining provisions.

6 SECTION 2. This act shall take effect upon passage

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO EDUCATION - GET ON YOUR FEET LOAN FORGIVENESS PROGRAM

1 This act would establish "The Get On Your Feet Loan Forgiveness Program" in Rhode
2 Island, to assist recent college and university graduates in the repayment of their student loans.

3 This act would take effect upon passage.

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