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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO EDUCATION - GET ON YOUR FEET LOAN FORGIVENESS PROGRAM

Introduced By: Representatives Shekarchi, Morin, McEntee, Tanzi, and Regunberg

Date Introduced: January 06, 2016

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 the college or university;

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

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

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

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

19 **16-62.2-5. Application and continued eligibility.** -- (a) Application. Any individual
20 seeking to participate in the program pursuant to the provisions of this chapter shall apply to the
21 Rhode Island student loan authority on forms prescribed by the authority containing any
22 information that the authority deems advisable to fulfill the provisions of this program. The
23 authority's executive director, or their designee, shall determine the eligibility of each applicant.

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

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

32 **16-62.2-6. Regulations.** -- The authority may promulgate any rules and regulations that it
33 deems necessary to implement the provisions of the program established pursuant to this chapter.

34 **16-62.2-7. Severability of provisions.** -- The provisions of this chapter are severable. If

1 [any provisions are deemed invalid by a court of competent jurisdiction, that determination shall](#)
2 [not affect the validity of the remaining provisions.](#)

3 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, by
3 providing a grace period for the first 2 years after graduation.

4 This act would take effect upon passage.

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