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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO EDUCATION - GET ON YOUR FEET LOAN FORGIVENESS PROGRAM

Introduced By: Representatives Morin, Phillips, Casey, Carson, and Johnston

Date Introduced: January 19, 2017

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.**

6 This chapter shall be known and may be cited as "The Get on Your Feet Loan
7 Forgiveness Program."

8 **16-62.2-2. Legislative findings and purpose.**

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

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

18 (c) As used in this chapter, the term "program" shall refer to the Get on Your Feet Loan
19 Forgiveness Program, except where the context clearly indicates otherwise.

1 **16-16.2-3. Program provisions.**

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

9 **16-62.2-4. Program requirements.**

10 (a) To be eligible for participation in the Get on Your Feet Loan Forgiveness Program, a
11 student must:

12 (1) Attend a college or university in Rhode Island for at least two (2) years and graduate
13 from the college or university;

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

16 (3) Participate in the federal Pay as You Earn Repayment Program (PAYE), 20 U.S.C. §
17 1098 e (e); and

18 (4) Earn less than fifty thousand dollars (\$50,000) annually for each calendar year in
19 which a student must repay the student's loans.

20 (b) Any person who obtains a deferment on the payment of a student loan shall not be
21 entitled to participate in the Get on Your Feet Loan Forgiveness Program for so long as the
22 deferment is in effect.

23 **16-62.2-5. Application and continued eligibility.**

24 (a) Application. Any individual seeking to participate in the program pursuant to the
25 provisions of this chapter shall apply to the Rhode Island student loan authority on forms
26 prescribed by the authority containing any information that the authority deems advisable to
27 fulfill the provisions of this program. The authority's executive director, or that individual's
28 designee, shall determine the eligibility of each applicant.

29 (b) Continued eligibility. Any individual deemed eligible to participate in the program
30 shall, not less than annually, submit to the authority any information that the authority may
31 prescribe to determine the individual's continued eligibility for the program in regard to that
32 individual's eligible loan(s).

33 (c) Penalty for failure to maintain eligibility. In the event the authority determines that an
34 individual is no longer eligible for participation in the program as provided in this chapter, that

1 individual shall be required to immediately pay the holder of the student's loan, all accrued
2 principal, interest, and any late payment penalties which have accrued during the period of the
3 ineligibility.

4 **16-62.2-6. Regulations.**

5 The authority may promulgate any rules and regulations that it deems necessary to
6 implement the provisions of the program established pursuant to this chapter.

7 **16-62.2-7. Severability of provisions.**

8 The provisions of this chapter are severable. If any provisions are deemed invalid by a
9 court of competent jurisdiction, that determination shall not affect the validity of the remaining
10 provisions.

11 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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