

2018 -- S 2118

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LC003741
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - STUDENT AND RESIDENTIAL
MORTGAGE LOANS

Introduced By: Senators Archambault, McCaffrey, Lombardi, Jabour, and Nesselbush

Date Introduced: January 23, 2018

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 128.3

4 STUDENT AND RESIDENTIAL MORTGAGE LOANS

5 **42-128.3-1. Purpose.**

6 The purpose of this chapter is to provide financial assistance to purchase a home and pay
7 off student loan debts under certain circumstances.

8 **42-128.3-2. Student debt mortgage program created.**

9 (a) The state under the direction of the executive director pursuant to § 42-128-11 in
10 partnership with local communities, housing authorities created under chapter 25 or 26 of title 45,
11 any redevelopment agency created under chapter 31 of title 45, and the Rhode Island housing
12 authority shall undertake a commitment for:

13 (1) Financial assistance to a family of limited income for maintaining or modifying their
14 existing residential loan; or

15 (2) Financial assistance made in conjunction with a new residential mortgage loan to
16 enable a homeowner to refinance an existing residential mortgage loan.

17 (b) Programs pursuant to this chapter shall be permitted only where the property is
18 approved by the executive director pursuant to rules and regulations to be promulgated by the

1 executive director; provided however, that the borrower must have an existing student debt of a
2 minimum of one thousand dollars (\$1,000) and up to a maximum of fifteen percent (15%) of the
3 home purchase price for the borrower to pay off the outstanding student debt pursuant to this
4 chapter.

5 (c) Programs permitted pursuant to this chapter shall be used for the purpose of
6 refinancing or eliminating student debt and eligible properties and borrowers shall be approved
7 by the commission subject to customary underwriting standards.

8 **42-128.3-3. Rules and regulations.**

9 The executive director in accordance with § 42-128.3-1 shall promulgate rules and
10 regulations necessary to implement the purpose of this chapter.

11 **42-128.3-4. Severability and liberal construction.**

12 If any provision of this chapter or the application of any provision to any person or
13 circumstance is held invalid, the invalidity shall not affect other provisions or applications of the
14 chapter, which can be given effect without the invalid provision or application, and to this end the
15 provisions of this chapter are declared to be severable. The provisions of this chapter shall be
16 construed liberally in order to accomplish the purposes of the chapter, and where any specific
17 power is given to the commission, the statement shall not be deemed to exclude or impair any
18 power otherwise in this chapter conferred upon the commission.

19 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 STATE AFFAIRS AND GOVERNMENT - STUDENT AND RESIDENTIAL
MORTGAGE LOANS

- 1 This act would authorize the creation of a state sponsored loan program to provide
- 2 financial assistance to purchase a home and to help pay off student debt.
- 3 This act would take effect upon passage.

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