



**House Bill No. 5610**

**Public Act No. 21-62**

***AN ACT REQUIRING A STUDY BY THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY, ESTABLISHING A WORKING GROUP TO STUDY CERTAIN ISSUES CONCERNING FINANCING FOR POST-SECONDARY EDUCATION AND ESTABLISHING THE ALLIANCE DISTRICT TEACHER LOAN SUBSIDY PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective from passage*) The Connecticut Higher Education Supplemental Loan Authority shall study (1) the feasibility and implications of expanding access to its loan programs to student loan borrowers including, but not limited to, persons who have a high debt-to-income ratio, low credit score or insufficient credit history and persons who have been previously denied a loan, (2) the underwriting standards used by other student loan lenders for public and private student loan products, and (3) the differences between the interest rates and pricing of such student loan products and the student loan products offered by the Connecticut Higher Education Supplemental Loan Authority. Not later than January 1, 2022, the Connecticut Higher Education Supplemental Loan Authority shall, in consultation with the working group established pursuant to section 2 of this act, submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to banking concerning the

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findings of such study.

Sec. 2. (*Effective from passage*) (a) There is established a working group to (1) assist in the production of the report described in section 1 of this act, and (2) study and make recommendations to improve access to and equity in education financing for post-secondary education.

(b) The working group shall consist of the following members:

(1) The chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to banking;

(2) The Banking Commissioner, or the commissioner's designee;

(3) The executive director of the Connecticut Higher Education Supplemental Loan Authority, or the executive director's designee;

(4) One appointed by the speaker of the House of Representatives, who shall represent the interests of student loan borrowers;

(5) One appointed by the president pro tempore of the Senate, who shall be a representative of a Connecticut bank;

(6) One appointed by the majority leader of the House of Representatives, who shall be a representative of a Connecticut credit union;

(7) One appointed by the majority leader of the Senate, who shall represent the interests of student loan borrowers;

(8) One appointed by the minority leader of the House of Representatives, who shall be a representative of an institution of higher education in this state; and

(9) One appointed by the minority leader of the Senate, who shall be

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a representative of an institution of higher education in this state.

(c) All initial appointments to the working group shall be made not later than thirty days after the effective date of this section and any vacancy shall be filled by the appointing authority.

(d) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the working group from among the members of the working group. Such chairpersons shall schedule the first meeting of the working group, which shall be held not later than sixty days after the effective date of this section.

(e) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to banking shall serve as administrative staff of the working group.

(f) Not later than January 1, 2022, the working group shall (1) assist the Connecticut Higher Education Supplemental Loan Authority with the production of the report described in section 1 of this act, and (2) submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to banking concerning its findings and recommendations. The working group shall terminate on January 1, 2022.

Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The Connecticut Higher Education Supplemental Loan Authority shall establish, subject to available funding pursuant to section 4 of this act, an Alliance District Teacher Loan Subsidy Program for the purpose of subsidizing interest rates on authority loans, as defined in section 10a-223 of the general statutes, as amended by this act, to teachers who are employed in a district designated as an alliance district pursuant to section 10-262u of the general statutes and who meet the eligibility criteria as established

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by the authority and the Commissioner of Education.

(b) The authority shall enter into a memorandum of agreement with the Commissioner of Education to establish the eligibility criteria and administrative guidelines for the Alliance District Teacher Loan Subsidy Program. Such eligibility criteria and guidelines shall include, but need not be limited to, (1) applicant eligibility, (2) interest rate subsidies and principal limits on authority loans subject to the Alliance District Teacher Loan Subsidy Program, (3) the process for verifying the employment of applicants, and (4) the requirement that an interest rate subsidy through the Alliance District Teacher Loan Subsidy Program shall terminate for any subsidy recipient who ceases to meet the employment requirements of such program during the term of such recipient's loan from the authority.

Sec. 4. (NEW) (*Effective July 1, 2021*) The Connecticut Higher Education Supplemental Loan Authority shall maintain a separate, nonlapsing account to hold funds for the Alliance District Teacher Loan Subsidy Program established pursuant to section 3 of this act. The account shall contain any moneys required by law to be deposited in the account, including, but not limited to, any state appropriation or the proceeds from the sale of bonds issued for the purpose of section 3 of this act. Moneys in the account shall be used (1) for the purposes of the Alliance District Teacher Loan Subsidy Program and for reasonable and necessary expenses for the administration of such program, (2) for the issuance of authority loans to refinance one or more eligible loans, and (3) to maintain a reserve held by the authority to cover any losses incurred by the authority from the issuance of such authority loans. For the purposes of this section, "authority loans" and "eligible loans" have the same meaning as provided in section 10a-223 of the general statutes, as amended by this act.

Sec. 5. Subdivision (18) of section 10a-223 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1,*

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2021):

(18) "Education assistance program" means a program to assist in financing the costs of education through education loans, [or] education grants [, or both] or any other form of financial assistance;

Sec. 6. Subdivision (7) of section 10a-225 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(7) To establish guidelines, criteria and procedures not in conflict with existing statutes with respect to authority loans, education [grants, education loans] assistance programs and education loan series portfolios. Such guidelines, criteria and procedures shall not be construed as regulations within the scope of chapter 54.

Approved June 24, 2021