



General Assembly

**Amendment**

January Session, 2021

LCO No. 8341



Offered by:

REP. DOUCETTE, 13<sup>th</sup> Dist.

REP. DELNICKI, 14<sup>th</sup> Dist.

To: House Bill No. 5610

File No. 64

Cal. No. 83

**"AN ACT CONCERNING A STUDY BY THE CONNECTICUT HIGHER  
EDUCATION SUPPLEMENTAL LOAN AUTHORITY."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. (*Effective from passage*) The Connecticut Higher Education  
4 Supplemental Loan Authority shall study (1) the feasibility and  
5 implications of expanding access to its loan programs to student loan  
6 borrowers including, but not limited to, persons who have a high debt-  
7 to-income ratio, low credit score or insufficient credit history and  
8 persons who have been previously denied a loan, (2) the underwriting  
9 standards used by other student loan lenders for public and private  
10 student loan products, and (3) the differences between the interest rates  
11 and pricing of such student loan products and the student loan products  
12 offered by the Connecticut Higher Education Supplemental Loan  
13 Authority. Not later than January 1, 2022, the Connecticut Higher  
14 Education Supplemental Loan Authority shall, in consultation with the  
15 working group established pursuant to section 2 of this act, submit a

16 report, in accordance with the provisions of section 11-4a of the general  
17 statutes, to the joint standing committee of the General Assembly  
18 having cognizance of matters relating to banking concerning the  
19 findings of such study.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

74 (b) The authority shall enter into a memorandum of agreement with

75 the Commissioner of Education to establish the eligibility criteria and  
76 administrative guidelines for the Alliance District Teacher Loan Subsidy  
77 Program. Such eligibility criteria and guidelines shall include, but need  
78 not be limited to, (1) applicant eligibility, (2) interest rate subsidies and  
79 principal limits on authority loans subject to the Alliance District  
80 Teacher Loan Subsidy Program, (3) the process for verifying the  
81 employment of applicants, and (4) the requirement that an interest rate  
82 subsidy through the Alliance District Teacher Loan Subsidy Program  
83 shall terminate for any subsidy recipient who ceases to meet the  
84 employment requirements of such program during the term of such  
85 recipient's loan from the authority.

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

102 Sec. 5. Subdivision (18) of section 10a-223 of the general statutes is  
103 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
104 *2021*):

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

108 Sec. 6. Subdivision (7) of section 10a-225 of the general statutes is  
109 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
110 *2021*):

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

|   |                     |             |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1   | <i>from passage</i> | New section |
| Sec. 2  | <i>from passage</i> | New section |
| Sec. 3  | <i>July 1, 2021</i> | New section |
| Sec. 4  | <i>July 1, 2021</i> | New section |
| Sec. 5  | <i>July 1, 2021</i> | 10a-223(18) |
| Sec. 6  | <i>July 1, 2021</i> | 10a-225(7)  |