



General Assembly

**Amendment**

January Session, 2021

LCO No. 8245



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 the applicants, and (4) the requirement that an interest  
82 rate subsidy through the Alliance District Teacher Loan Subsidy  
83 Program shall terminate for any subsidy recipient who ceases to meet  
84 the 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, state appropriations or proceeds  
92 from the sale of bonds authorized under section 5 of this act. Moneys in  
93 the account shall be used (1) for the purposes of the Alliance District  
94 Teacher Loan Subsidy Program and for reasonable and necessary  
95 expenses for the administration of such program, (2) for the issuance of  
96 authority loans to refinance one or more eligible loans, and (3) to  
97 maintain a reserve held by the authority to cover any losses incurred by  
98 the authority from the issuance of such authority loans. For the purposes  
99 of this section, "authority loans" and "eligible loans" have the same  
100 meaning as provided in section 10a-223 of the general statutes, as  
101 amended by this act.

102 Sec. 5. (NEW) (*Effective July 1, 2021*) (a) For the purposes described in  
103 subsection (b) of this section and section 3 of this act, the State Bond

104 Commission shall have the power from time to time to authorize the  
105 issuance of bonds of the state in one or more series and in principal  
106 amounts not exceeding in the aggregate seven million dollars.

107 (b) The proceeds of the sale of such bonds, to the extent of the amount  
108 stated in subsection (a) of this section, shall be used by the Connecticut  
109 Higher Education Supplemental Loan Authority for the purpose of the  
110 Alliance District Teacher Loan Subsidy Program established under  
111 section 3 of this act.

112 (c) All provisions of section 3-20 of the general statutes, or the exercise  
113 of any right or power granted thereby, that are not inconsistent with the  
114 provisions of this section are hereby adopted and shall apply to all  
115 bonds authorized by the State Bond Commission pursuant to this  
116 section. Temporary notes in anticipation of the money to be derived  
117 from the sale of any such bonds so authorized may be issued in  
118 accordance with section 3-20 of the general statutes and from time to  
119 time renewed. Such bonds shall mature at such time or times not  
120 exceeding twenty years from their respective dates as may be provided  
121 in or pursuant to the resolution or resolutions of the State Bond  
122 Commission authorizing such bonds. None of such bonds shall be  
123 authorized except upon a finding by the State Bond Commission that  
124 there has been filed with it a request for such authorization that is signed  
125 by or on behalf of the Secretary of the Office of Policy and Management  
126 and states such terms and conditions as said commission, in its  
127 discretion, may require. Such bonds issued pursuant to this section shall  
128 be general obligations of the state and the full faith and credit of the state  
129 of Connecticut are pledged for the payment of the principal of and  
130 interest on such bonds as the same become due, and accordingly and as  
131 part of the contract of the state with the holders of such bonds,  
132 appropriation of all amounts necessary for punctual payment of such  
133 principal and interest is hereby made, and the State Treasurer shall pay  
134 such principal and interest as the same become due.

135 Sec. 6. Subdivision (18) of section 10a-223 of the general statutes is  
136 repealed and the following is substituted in lieu thereof (*Effective July 1,*

137 2021):

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

141 Sec. 7. Subdivision (7) of section 10a-225 of the general statutes is  
142 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
143 *2021*):

144 (7) To establish guidelines, criteria and procedures not in conflict  
145 with existing statutes with respect to authority loans, education [grants,  
146 education loans] assistance programs and education loan series  
147 portfolios. Such guidelines, criteria and procedures shall not be  
148 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>	New section
Sec. 6	<i>July 1, 2021</i>	10a-223(18)
Sec. 7	<i>July 1, 2021</i>	10a-225(7)