

A-Engrossed
Senate Bill 958

Ordered by the Senate April 11
Including Senate Amendments dated April 11

Sponsored by Senator WAGNER (at the request of Oregon Student Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes Dreamers Access Program to award student loans to eligible students with demonstrated financial need. **Establishes maximum loan limits for undergraduate and graduate students.** *[Provides that maximum amount of loan per student may not exceed \$10,000 per academic year or aggregate total of \$50,000.]* Requires Higher Education Coordinating Commission to administer program by rule.

Establishes Dreamers Access Program Fund. Continuously appropriates moneys to commission for purpose of awarding loans and administering program.

Requires commission to file *[annual]* **biennial** report with Legislative Assembly stating **mean and median** dollar *[amount]* **amounts** of *[each loan awarded under program and number of students who received loan]* **loans** under program during previous **biennium** *[academic year]*, **total number of students who received loan during previous biennium, total amount of moneys within fund, total amount of moneys appropriated or otherwise provided to fund during current biennium** by Legislative Assembly and commission's annual administrative costs for administering program.

[Requires commission to file annual report with Legislative Assembly stating total amount of moneys within fund, total amount of moneys appropriated or otherwise provided to fund during current biennium by Legislative Assembly and commission's annual administrative costs for administering program.]

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to student loans; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 2 to 4 of this 2019 Act are added to and made a part of ORS chapter**
5 **348.**

6 **SECTION 2. (1) As used in sections 2 to 4 of this 2019 Act:**

7 (a) **"Eligible student" means an individual who:**

8 (A) **Is enrolled in sufficient credit hours to be considered at least a half-time student in**
9 **a baccalaureate or graduate degree program at a public university;**

10 (B) **Is making satisfactory academic progress, as defined by the Higher Education Coor-**
11 **dinating Commission by rule, at the public university;**

12 (C) **Is exempted from paying nonresident tuition under ORS 352.287;**

13 (D) **Has completed and submitted to the commission the Free Application for Federal**
14 **Student Aid, or an equivalent Oregon application established by the commission by rule; and**

15 (E) **Is not incarcerated.**

16 (b) **"Loan recipient" means an eligible student who has received a loan under the**
17 **Dreamers Access Program.**

18 (c) **"Public university" means:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) A public university listed in ORS 352.002; or

2 (B) Oregon Health and Science University.

3 (2) The Dreamers Access Program is established within the Higher Education Coordi-
4 nating Commission, to be administered pursuant to rules adopted by the commission. The
5 commission may enter into any contracts necessary to implement sections 2 to 4 of this 2019
6 Act.

7 (3) The commission shall determine:

8 (a) Whether each individual who has completed and submitted to the commission an ap-
9 plication described in subsection (1)(a)(D) of this section is an eligible student;

10 (b) Whether each individual identified in paragraph (a) of this subsection has a financial
11 need for the academic year such that, in the opinion of the commission, a loan is warranted,
12 taking into consideration the availability of an Oregon Opportunity Grant for the applicant;
13 and

14 (c) Subject to subsection (6) of this section, the dollar amount of the loan.

15 (4) If the commission determines under subsection (3) of this section that an applicant
16 is an eligible student and that a loan is warranted, the commission shall award a loan to the
17 eligible student under the program.

18 (5) A loan recipient may apply for an additional loan under this section each academic
19 year. The commission shall by rule establish academic standards and benchmarks that a loan
20 recipient must meet to qualify for additional loans.

21 (6) A loan recipient may not receive Dreamers Access Program loans that exceed:

22 (a) For an undergraduate student, the lesser of:

23 (A) An amount per academic year that is established by the commission by rule to equal
24 the maximum amount of Federal Stafford Loans, or their successor, that a dependent
25 undergraduate student could receive; or

26 (B) The financial need of the loan recipient for an academic year, as determined in sub-
27 section (3)(b) of this section.

28 (b) For a graduate student, the lesser of:

29 (A) \$10,000 in any academic year; or

30 (B) The financial need of the loan recipient for an academic year, as determined in sub-
31 section (3)(b) of this section.

32 (c) An aggregate total of \$50,000.

33 (7) Each public university shall provide loan recipients with entrance and exit loan
34 counseling that is comparable to the counseling the public university is required to provide
35 to recipients of federal student loans.

36 (8)(a) The commission shall establish the interest rate or rates for loans awarded under
37 this section in the manner described in section 3 of this 2019 Act.

38 (b) The standard repayment term for a loan awarded under this section is 10 years. Re-
39 payment by a loan recipient shall begin following a six-month grace period that begins when
40 a loan recipient graduates or is no longer enrolled in sufficient credit hours to be considered
41 at least a half-time student in a baccalaureate or graduate degree program at a public uni-
42 versity.

43 (c) Interest may not accrue on a loan awarded under this section during:

44 (A) Periods when the loan recipient is enrolled in sufficient credit hours to be considered
45 at least a half-time student in a baccalaureate or graduate degree program at a public uni-

1 **versity; or**

2 **(B) The six-month grace period described in paragraph (b) of this subsection.**

3 **(9) All moneys from repayment of loans awarded under this section shall be deposited in**
4 **the Dreamers Access Program Fund established in section 4 of this 2019 Act.**

5 **(10) Eligibility for deferment or forbearance of a loan awarded under this section shall**
6 **be determined by the commission in a manner that is consistent with the standards used to**
7 **determine deferment or forbearance of federal student loans.**

8 **(11) If a loan recipient defaults on the repayment of a loan awarded under this section,**
9 **the commission may:**

10 **(a) Have any amounts due be collected by the Collections Unit in the Department of Re-**
11 **venue under ORS 293.250; and**

12 **(b) Report the loan recipient's default to a consumer reporting agency as defined in ORS**
13 **646A.602.**

14 **SECTION 3.** **The Higher Education Coordinating Commission shall:**

15 **(1) Adopt rules to administer the Dreamers Access Program established in section 2 of**
16 **this 2019 Act.**

17 **(2) Develop a master promissory note to be used for loans awarded under the program.**

18 **(3) Subject to subsection (1) of this section, for each loan awarded under the program,**
19 **service the loan, collect all loan payments and perform all due diligence required by the**
20 **federal Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) and any other applicable laws.**

21 **(4) Establish the interest rate to be used for loans awarded under the program. In de-**
22 **termining the interest rate to be used, the commission must consider:**

23 **(a) The risk that loan recipients will default on the repayment of the loans; and**

24 **(b) The effect the interest rate will have on the cost for loan recipients to repay the**
25 **loans.**

26 **(5) Track and record the dollar amount of loans awarded to each loan recipient under the**
27 **program:**

28 **(a) For each academic year; and**

29 **(b) As an aggregate total amount.**

30 **SECTION 4.** **(1) The Dreamers Access Program Fund is established in the State Treasury,**
31 **separate and distinct from the General Fund. Amounts in the Dreamers Access Program**
32 **Fund may be invested as provided in ORS 293.701 to 293.857. Interest earned by the Dreamers**
33 **Access Program Fund shall be credited to the fund. Moneys in the fund are continuously**
34 **appropriated to the Higher Education Coordinating Commission for the purpose of awarding**
35 **loans and administering the Dreamers Access Program under sections 2 and 3 of this 2019**
36 **Act.**

37 **(2) The fund shall consist of:**

38 **(a) Moneys received as repayment of loans awarded under the Dreamers Access Program;**

39 **(b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assem-**
40 **bly;**

41 **(c) Moneys received from federal, state or local sources;**

42 **(d) Amounts donated to the fund;**

43 **(e) Investment earnings received on moneys in the fund; and**

44 **(f) Other amounts deposited in the fund from any source, public or private.**

45 **SECTION 5.** **The Higher Education Coordinating Commission shall file with the interim**

1 committees of the Legislative Assembly related to higher education, in the manner provided
2 in ORS 192.245, a biennial report that states:

3 (1) The mean and median dollar amounts of loans awarded during the previous biennium
4 under the Dreamers Access Program established in section 2 of this 2019 Act.

5 (2) The total number of students who received a loan under the program during the
6 previous biennium.

7 (3) The total amount of moneys within the Dreamers Access Program Fund established
8 in section 4 of this 2019 Act at the end of the most recent academic year.

9 (4) The total amount of moneys appropriated or otherwise provided to the fund by the
10 Legislative Assembly during the current biennium.

11 (5) The commission's annual administrative costs for administering the Dreamers Access
12 Program established in section 2 of this 2019 Act.

13 **SECTION 6.** Sections 2 and 3 of this 2019 Act first apply to loans for the 2020-2021 aca-
14 demic year.

15 **SECTION 7.** The Higher Education Coordinating Commission shall submit the first
16 biennial reports required under section 5 of this 2019 Act no later than December 1, 2022.

17 **SECTION 8.** This 2019 Act takes effect on the 91st day after the date on which the 2019
18 regular session of the Eightieth Legislative Assembly adjourns sine die.

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