

HOUSE BILL NO. 1547

Introduced by

Representatives Griffin, Mock, Schneider, Vig

Senators Bakke, Fiebiger

1 A BILL for an Act to provide student loan principal reductions; and to provide an appropriation.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Student loan principal reductions - Advisory board.**

4 1. The Bank of North Dakota shall reduce, on a percentage basis, the student loan
5 principal of any individual who graduated from an institution of higher education
6 within the preceding ten-year period and who is and has been a resident of this
7 state for the past twelve months. A reduction under this section is applicable to
8 any student loan, regardless of the originating financial institution.

9 2. To receive the reduction provided for in subsection 1, an individual must request an
10 application from the Bank of North Dakota and return the completed application no
11 later than October 1, 2009, for reductions to be made during 2009 and no later
12 than October 1, 2010, for reductions to be made during 2010.

13 3. A five-member board shall advise the Bank of North Dakota in matters pertaining to
14 the administration of this section. The board consists of:

- 15 a. The commissioner of commerce, or the commissioner's designee;
- 16 b. One individual selected by the North Dakota bankers association;
- 17 c. One individual selected by the North Dakota chamber of commerce;
- 18 d. One individual selected by the executive board of the North Dakota student
19 association; and
- 20 e. One member of the legislative assembly appointed by the legislative council.

21 4. a. The advisory board created by subsection 3 shall compile information
22 regarding:

- 23 (1) Which institutions of higher education applicants for loan reductions
24 under this Act attended;

- 1 (2) The amount of indebtedness incurred by applicants to complete their
2 educational goals;
- 3 (3) The areas of employment for which the applicants were educated;
4 (4) The areas of employment in which the applicants have worked since
5 graduation; and
- 6 (5) The length of time applicants required in order to complete their
7 educational goals.
- 8 b. The advisory board shall provide the compiled information, together with its
9 recommendations regarding the feasibility and desirability of continuing a loan
10 reduction program, to the sixty-second legislative assembly.

11 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the
12 general fund in the state treasury, not otherwise appropriated, the sum of \$22,500,000, or so
13 much of the sum as may be necessary, to the Bank of North Dakota for the purpose of
14 providing student loan principal reductions, for the biennium beginning July 1, 2009, and ending
15 June 30, 2011. The Bank of North Dakota may use no more than fifty percent of the amount
16 appropriated for student loan principal reductions during the first year of the biennium.