

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1691

H.P. 1126

House of Representatives, April 17, 2025

An Act to Expand Access to Justice in Rural Maine by Incentivizing Attorneys to Practice in Underserved Areas

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative KUHN of Falmouth.
Cosponsored by Senator CARNEY of Cumberland and
Representatives: DUCHARME of Madison, HENDERSON of Rumford, LEE of Auburn,
MURPHY of Scarborough, POIRIER of Skowhegan, SATO of Gorham, SINCLAIR of Bath.

1 Be it enacted by the People of the State of Maine as follows:

2 Sec. 1. 20-A MRSA c. 426-A is enacted to read:

3 **CHAPTER 426-A**

4 **ACCESS TO JUSTICE LOAN PROGRAM**

5 **§12311. Definitions**

6 As used in this chapter, unless the context otherwise indicates, the following terms
7 have the following meanings.

8 **1. Authority.** "Authority" means the Finance Authority of Maine.

9 **2. Fund.** "Fund" means the Access to Justice Loan Program Revolving Fund
10 established in section 12313.

11 **3. Maine resident.** "Maine resident" means a person who, at the time the person
12 submits an application for participation in the program, has been a resident of this State,
13 for purposes other than enrolling in an accredited law school, for a minimum of 2 years and
14 who satisfies any other criteria adopted by the authority by rule.

15 In adopting other criteria by rule, the authority shall, at a minimum, consider the following:

16 A. The length of a person's residence in the State for purposes other than enrolling in
17 an accredited law school;

18 B. The secondary school attended by a person;

19 C. The legal residence of the parents of a person;

20 D. A person's place of voting registration, if registered to vote; and

21 E. The jurisdictions to which a person pays income or other taxes.

22 **4. Program.** "Program" means the Access to Justice Loan Program established in
23 section 12312.

24 **5. Underserved area.** "Underserved area" means an area in the State, as determined
25 by the authority, in which there is an insufficient number of licensed and practicing
26 attorneys to satisfy the significant and unmet need for legal services of the individuals
27 residing in that area.

28 **§12312. Access to Justice Loan Program**

29 **1. Establishment.** The Access to Justice Loan Program is established within and
30 under the administration of the authority to annually, as funds permit, award loans to and
31 enter into loan repayment agreements with eligible persons.

32 **2. Eligibility.** A person is eligible to participate in the program if the person:

33 A. Is a Maine resident;

34 B. Meets one of the following educational and financial criteria:

35 (1) Is enrolled or intends to enroll in an accredited law school and demonstrates
36 financial need; or

1 (2) Has graduated from an accredited law school within the 5 years prior to
2 applying to the program, is licensed or eligible to be licensed to practice law in the
3 State and has outstanding law school loans;

4 C. Demonstrates an interest in or commitment to providing legal services in an
5 underserved area; and

6 D. Meets other eligibility criteria established by the authority.

7 **3. Funding options available; maximum amounts.** As funds permit, the authority
8 shall award loans to eligible applicants who meet the criteria in subsection 2, paragraph B,
9 subparagraph (1) and shall enter into loan repayment agreements with eligible applicants
10 who meet the criteria in subsection 2, paragraph B, subparagraph (2). The maximum loan
11 or loan repayment amount available to each program participant is \$25,000 per year for a
12 period of up to 4 years.

13 **4. Loan agreement; forgiveness.** An eligible applicant who meets the criteria in
14 subsection 2, paragraph B, subparagraph (1) and is awarded a loan shall enter into a loan
15 agreement as set out in this subsection.

16 A. Except as otherwise provided in this section, upon completion of the loan recipient's
17 law school education, the recipient shall repay the loan as follows.

18 (1) If the loan recipient does not obtain loan forgiveness pursuant to subparagraph
19 (2), the recipient shall repay the entire principal of the loan plus simple interest at
20 a rate to be determined by the authority by rule. Interest may not begin to accrue
21 on the loan until the loan recipient completes, withdraws from or otherwise fails to
22 continue the recipient's law school education.

23 (2) A loan recipient who, upon conclusion of the recipient's law school education
24 elects to offer legal services in an underserved area is forgiven 25% of the original
25 outstanding indebtedness for each year the recipient offers those services.

26 B. Loans must be repaid over a term not longer than 10 years, except that the authority
27 may extend the term of a loan recipient's loan as necessary to ensure repayment.
28 Repayment must commence when the loan recipient completes, withdraws from or
29 otherwise fails to continue the recipient's law school education.

30 **5. Loan repayment agreement.** An eligible applicant who meets the criteria in
31 subsection 2, paragraph B, subparagraph (2) and enters into a loan repayment agreement
32 receives payment from the authority on the recipient's outstanding indebtedness for law
33 school education at a rate of \$25,000 for each year, up to a maximum of 4 years, that the
34 recipient continues to offer legal services in an underserved area.

35 **6. Default.** Except as provided in subsection 7, a loan recipient under subsection 4
36 who agrees to offer legal services in an underserved area and who fails to complete the
37 period of service required to pay off the loan pursuant to subsection 4, paragraph A,
38 subparagraph (2) is liable to the authority for an amount equal to the sum of the total amount
39 paid by or on behalf of the authority to or on behalf of the recipient under the loan
40 agreement plus interest at a rate determined by the authority. The authority shall award a
41 loan recipient credit for offering legal services in an underserved area for each consecutive
42 12-month period that the recipient offers those services.

1 A loan recipient may petition the authority for permission to default without penalty from
2 a loan agreement to provide legal services in an underserved area. Upon receipt of such
3 petition, the authority may provide the loan recipient permission to default without penalty
4 based on catastrophic or other circumstances that prevent the recipient from offering legal
5 services in an underserved area for the required period of time. In the case of a default
6 permitted by the authority, the loan recipient must receive credit for the number of months
7 served and shall repay to the authority in cash payments under the terms of the original
8 loan agreement the remaining financial obligation plus interest.

9 **7. Deferments.** The authority may grant a loan recipient under subsection 4 a
10 deferment on repayment of a loan under the program for causes established by the authority
11 by rule. The authority shall assess interest on the loan during the deferment at a rate to be
12 determined by the authority by rule. A loan recipient shall repay the recipient's total
13 financial obligation to the authority, including principal and interest, through return service
14 or cash payments.

15 **8. Rules.** The authority may adopt rules as necessary for the implementation and
16 administration of the program. Rules adopted pursuant to this subsection are routine
17 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

18 **§12313. Access to Justice Loan Program Revolving Fund**

19 **1. Fund established.** The Access to Justice Loan Program Revolving Fund is
20 established as a nonlapsing, interest-earning, revolving fund within and under the
21 jurisdiction of the authority to carry out the purposes of the program. The fund must be
22 administered in accordance with the following.

23 A. Any unexpended balance in the fund carries over for continued use under this
24 chapter.

25 B. The authority may receive, invest and expend, on behalf of the fund, money from
26 gifts, grants, bequests and donations in addition to money appropriated or allocated by
27 the State.

28 C. Loan repayments by recipients of loans under this chapter or other repayments to
29 the authority must be invested by the authority, as provided by law, with the earned
30 income to be added to the fund.

31 D. Money received by the authority on behalf of the fund, except interest income, must
32 be used for the designated purpose of awarding loans and entering into loan repayment
33 agreements under the program; interest income may be used for the designated
34 purposes of the program or to pay student financial assistance administrative costs
35 incurred by the authority for the operation of the program.

36 **2. Allocation of repayments.** The authority may reallocate a portion of the annual
37 loan repayments under subsection 1, paragraph C for the purpose of recruiting law school
38 students and recent law school graduates to offer legal services in underserved areas. That
39 portion may be used:

40 A. In accordance with criteria established by the authority, to encourage law school
41 students and recent law school graduates to offer legal services in underserved areas;
42 or

1 B. To repay education loans for the law school education of licensed attorneys to enable
2 the attorneys to offer legal services in underserved areas in accordance with section
3 12312, subsection 5.

4 **3. Rules.** The authority may adopt rules as necessary for the implementation and
5 administration of the fund. Rules adopted pursuant to this subsection are routine technical
6 rules as defined in Title 5, chapter 375, subchapter 2-A.

7 **§12314. Stakeholder consultation**

8 In implementing, administering and assessing the effectiveness of the program and the
9 fund, the authority shall consult with the University of Maine System and may engage
10 additional stakeholders from the legal community, including, but not limited to,
11 representatives of legal education communities and legal practice communities in the State
12 and organizations representing the interests of underserved areas in the State.

13 **Sec. 2. Establishment of rural practice track at University of Maine School**
14 **of Law; report.** In accordance with the requirements of this section and to the extent
15 sufficient funding is available, the University of Maine System shall establish at the
16 University of Maine School of Law a rural practice track.

17 1. The rural practice track must support the practice of law in underserved areas in the
18 State by:

19 A. Attracting and selecting, through recruitment and other measures, qualified law
20 school applicants from rural and underserved areas in the State who demonstrate a
21 commitment to and aptitude for practicing law in those areas upon graduation;

22 B. Placing or otherwise connecting enrolled and qualified law school students with
23 internships, externships and other professional opportunities with organizations and
24 other entities that provide legal services to individuals in underserved areas in the State;

25 C. Placing or otherwise connecting recent qualified law school graduates with
26 employment or other professional opportunities providing legal services to individuals
27 in underserved areas in the State; and

28 D. Encouraging collaboration between the school of law and secondary school
29 students, undergraduate school students and other individuals in underserved areas in
30 the State, as well as with organizations and other entities that provide legal services to
31 individuals in those areas.

32 2. The school of law shall administer the rural practice track and develop and
33 implement guidelines, policies and procedures for the operation of the track and for staff
34 and students participating in the track. The school of law may accept gifts, bequests and
35 endowments, as well as federal, private and other grants or donations, to support the
36 objectives of the rural practice track. In administering the rural practice track, the school
37 of law must:

38 A. Provide, in each academic year, a housing stipend sufficient to cover the cost of
39 dormitory housing at the University of Southern Maine for up to 6 first-year or
40 2nd-year law school students who reside in underserved areas in the State or who have
41 demonstrated a commitment to and aptitude for practicing law in those areas upon
42 graduation, as determined by the school of law;

1 B. Provide, in each semester of the academic year and over the summer, internship,
2 externship and other professional opportunities with organizations and other entities
3 that provide legal services to individuals in underserved areas in the State for up to 6
4 2nd-year or 3rd-year law school students who reside in underserved areas in the State
5 or who have demonstrated a commitment to and aptitude for practicing law in those
6 areas upon graduation, as determined by the school of law;

7 C. Develop and implement a comprehensive marketing and communications plan to
8 recruit and retain students from underserved areas in the State who demonstrate a
9 commitment to and aptitude for practicing law in those areas upon graduation and
10 support the placement or other employment of law school students and recent graduates
11 in those areas; and

12 D. Collaborate as necessary with the Finance Authority of Maine in its development,
13 implementation and administration of the Access to Justice Loan Program established
14 under the Maine Revised Statutes, Title 20-A, section 12312.

15 No later than January 1, 2026, the University of Maine System shall submit a report to
16 the Joint Standing Committee on Education and Cultural Affairs and to the Joint Standing
17 Committee on Judiciary outlining its plan for implementation of the rural practice track at
18 the University of Maine School of Law, including any recommendations for legislative or
19 other action. After reviewing the report, either committee may report out legislation related
20 to the report to the Second Regular Session of the 132nd Legislature.

21 SUMMARY

22 This bill establishes the Access to Justice Loan Program and Access to Justice Loan
23 Program Revolving Fund under the Finance Authority of Maine for the purpose of
24 awarding loans to and entering into loan repayment agreements with eligible Maine
25 residents. Eligibility is limited to Maine residents who demonstrate an interest in or
26 commitment to providing legal services in an underserved area of the State and who are
27 enrolled or intend to enroll in an accredited law school and demonstrate financial need or
28 have graduated from an accredited law school within the prior 5 years, are licensed or
29 eligible to be licensed to practice law in the State and have outstanding law school loans.
30 The maximum amount of a loan to or loan repayment agreement with a program participant
31 is \$25,000 per year for a period of up to 4 years.

32 The bill also directs the University of Maine System, to the extent sufficient funding is
33 available, to establish at the University of Maine School of Law a rural practice track to
34 support the practice of law in underserved areas in the State. Among other things, the rural
35 practice track must be designed to:

36 1. Provide, in each academic year, a housing stipend sufficient to cover the cost of
37 dormitory housing at the University of Southern Maine for up to 6 first-year or 2nd-year
38 law school students who reside in underserved areas in the State or who have demonstrated
39 a commitment to and aptitude for practicing law in those areas upon graduation; and

40 2. Provide, in each semester of the academic year and over the summer, internship,
41 externship or other professional opportunities with organizations and other entities that
42 provide legal services to individuals in underserved areas in the State for up to 6 2nd-year
43 or 3rd-year law school students who reside in underserved areas in the State or who have

1 demonstrated a commitment to and aptitude for practicing law in those areas upon
2 graduation.

3 No later than January 1, 2026, the University of Maine System is required to submit a
4 report to the Joint Standing Committee on Education and Cultural Affairs and to the Joint
5 Standing Committee on Judiciary outlining its plan for implementation of the rural practice
6 track at the University of Maine School of Law, including any recommendations for
7 legislative or other action. After reviewing the report, either committee may report out
8 legislation related to the report to the Second Regular Session of the 132nd Legislature.