

MAINE STATE LEGISLATURE

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(Filing No. S-541)

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**STATE OF MAINE
SENATE
115TH LEGISLATURE
SECOND REGULAR SESSION**

14 COMMITTEE AMENDMENT "A" to S.P. 795, L.D. 1994, Bill, "An
Act Regarding the Repayment of Blaine House Scholarships"

16 Amend the bill by striking out everything after the title
18 and before the statement of fact and inserting in its place the
following:

20 **Emergency preamble. Whereas,** Acts of the Legislature do
22 not become effective until 90 days after adjournment unless
enacted as emergencies; and

24 **Whereas,** current economic conditions have reduced the
opportunities for employment for public and private school
26 teachers; and

28 **Whereas,** some Blaine House Scholars loan recipients are
unable to obtain employment as teachers upon completion of their
30 academic program; and

32 **Whereas,** forgiveness of a Blaine House Scholars loan
obligation may only be granted to a recipient who is employed as
34 a teacher in a public school or approved private school; and

36 **Whereas,** this Act would permit the Finance Authority of
Maine to immediately issue a deferment to a Blaine House Scholars
38 loan recipient who is unable to find employment that would permit
loan forgiveness; and

40 **Whereas,** in the judgment of the Legislature, these facts
42 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
44 necessary for the preservation of the public peace, health and
safety; now, therefore,

17. of 3.

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

4 **Sec. 1. 20-A MRSA §12502**, as repealed and replaced by PL
6 1991, c. 553, §3 and c. 612, §15, is repealed and the following
enacted in its place:

8 **§12502. Blaine House Scholars and Financial Assistance Program**

10 There is established the Blaine House Scholars and Financial
12 Assistance Program to recognize graduates from Maine high schools
14 or the equivalent who attain high academic achievement and to
16 provide financial assistance to college students and graduating
18 high school seniors for postsecondary education and to teachers
20 for advanced degree or continued study. The program recognizes
22 outstanding graduating high school seniors, college students and
students pursuing postbaccalaureate teacher certification as
described in section 12503 and disburses loans as described in
section 12504. The chief executive officer shall administer the
program and shall establish by rule the rates of interest or fees
to be charged.

24 **Sec. 2. 20-A MRSA §12507, sub-§3**, as amended by PL 1991, c.
612, §16, is further amended to read:

26 **3. Deferment.** A recipient of a loan may seek a deferment
28 of the annual ~~principal~~ payments for a period or periods as
established by rule of the authority. A request for deferment
30 must be made to the chief executive officer who shall make a
determination on a case-by-case basis. The chief executive
32 officer may grant a deferment in the event that a recipient of a
loan evidences intent to teach and inability to secure employment
34 necessary to obtain forgiveness of the loan at the time the
deferment is sought. The chief executive officer shall require
36 certification of such intent annually and shall grant a one-year
deferment for each successful request for deferment. A recipient
38 may receive no more than 5 one-year deferments. The decision of
the chief executive officer is final.

40 **Sec. 3. 20-A MRSA §12508, sub-§3** is enacted to read:

42 **3. Deferment.** A recipient of a loan may seek a deferment
44 of the annual payments for a period or periods as established by
the chief executive officer who shall make a determination on a
46 case-by-case basis. The chief executive officer may grant a
deferment in the event that a recipient of a loan evidences
48 intent to teach and inability to secure employment necessary to
obtain forgiveness of the loan at the time the deferment is

2 sought. The chief executive officer shall require certification
3 of such intent annually and shall grant a one-year deferment for
4 each successful request for deferment. A recipient may receive
5 no more than 5 one-year deferments. The decision of the chief
6 executive officer is final.

7 **Emergency clause.** In view of the emergency cited in the
8 preamble, this Act takes effect when approved.

10 **FISCAL NOTE**

12 Expanding the definition of "deferment" for student loan
13 programs administered by the Finance Authority of Maine may
14 result in a slight decrease in the funding available for future
15 loans by deferring loan repayment for individuals unable to
16 secure the employment necessary for loan forgiveness.'

18 **STATEMENT OF FACT**

20 This amendment replaces the original bill. The amendment
21 adds an emergency preamble to permit the Finance Authority of
22 Maine to immediately issue loan deferments to eligible recipients
23 of a Blaine House Scholars loan.

24 This amendment corrects an error in the statute created by
25 conflicting amendments enacted during the First Regular Session
26 of the 115th Legislature.

27 This amendment allows the Chief Executive Officer of the
28 Finance Authority of Maine to grant a one-year deferment to a
29 recipient of a Blaine House Scholars loan for general
30 postsecondary education or preservice teacher preparation who
31 intends to teach in a public or private school approved for
32 tuition purposes but has been unable to find such employment. No
33 more than 5 one-year deferments may be authorized for a recipient.

34 This amendment allows the Chief Executive Officer of the
35 Finance Authority of Maine to grant a one-year deferment to a
36 recipient of a Blaine House Scholars loan for teachers or
37 postbaccalaureate teacher certification who intends to teach in a
38 public or private school approved for tuition purposes but has
39 been unable to find such employment. No more than 5 one-year
40 deferments may be authorized for a recipient.

41 This amendment also adds a fiscal note to the bill.

42 Reported by Senator Estes for the Committee on Education.
43 Reproduced and Distributed Pursuant to Senate Rule 12.
44 (2/6/92) (Filing No. S-541)