

House Bill 551 (AS PASSED HOUSE AND SENATE)

By: Representatives O`Neal of the 117th and Richardson of the 26th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
2 relating to postsecondary scholarships, loans, and grants, so as to change certain provisions
3 regarding the Georgia Student Finance Commission and the Georgia Student Finance
4 Authority; to change certain provisions regarding the board of commissioners of the
5 commission; to change certain provisions regarding the board of directors of the authority;
6 to change certain provisions regarding officers and employees of the commission; to change
7 certain provisions regarding definitions; to change certain provisions regarding the functions
8 and composition of the authority; to change certain provisions regarding officers and
9 employees of the authority; to change certain provisions regarding bonds; to change certain
10 provisions regarding service cancelable loans; to provide for related matters; to provide for
11 an effective date; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

14 Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
15 postsecondary scholarships, loans, and grants, is amended by striking Code Section
16 20-3-234, relating to the board of commissioners of the Georgia Student Finance
17 Commission, and inserting in its place a new Code Section 20-3-234 to read as follows:

18 "20-3-234.

19 (a) *Functions and composition of board of commissioners.*

20 (1) The commission shall be governed and all of its powers, duties, and functions shall
21 be exercised by a board of commissioners. The board of commissioners shall be
22 composed of ~~four officials of the state, who shall be the chancellor of the university~~
23 ~~system, the State School Superintendent, the commissioner of technical and adult~~
24 ~~education, and the director of the Office of Planning and Budget, and the following public~~
25 commissioners, to be appointed by ~~executive order~~ of the Governor, subject to
26 confirmation by the Senate: one public commissioner from each congressional district of

1 the state who is and who remains during the term of his or her appointment a resident of
 2 the district being represented ~~and two public commissioners appointed from the state at~~
 3 ~~large who are and who remain during the term of their appointment residents of the state.~~

4 The executive director of the commission, or president, if designated by such title by the
 5 board of commissioners, shall be an ex officio member of the board of commissioners.

6 Neither the Governor nor any state official not designated in this paragraph shall be
 7 appointed as a commissioner. All public commissioner appointments made by the
 8 Governor when the Senate is not in session shall be effective ad interim.

9 (2) The board of commissioners provided for by paragraph (1) of this subsection shall
 10 be the successor to and a continuation of, without interruption, the board of
 11 commissioners of the previously existing Georgia State Scholarship Commission. The
 12 board of commissioners of the previously existing Georgia State Scholarship
 13 Commission, excepting the ~~chairman~~ chairperson of the board of regents, who shall not
 14 be a member of the board of commissioners, shall be the board of commissioners created
 15 by subsection (a) of Code Section 20-3-233; and each public commissioner shall continue
 16 to serve for the term of office to which he or she was appointed. Upon expiration of his
 17 or her respective term or in the event of a vacancy, his or her successor shall be
 18 appointed, or appointments to fill vacancies occurring shall be made, by executive order
 19 of the Governor as provided for in this Code section.

20 (b) *Qualifications and terms of public commissioners.* Public commissioners shall be
 21 appointed by executive order of the Governor to serve for a term of six years and until their
 22 successors are appointed and qualified and shall be eligible for reappointment to successive
 23 terms. Appointments made after the expiration of a term or to fill a vacancy occurring on
 24 the commission shall be made by the Governor in the same manner but only for the
 25 duration of the unexpired term. Public commissioners shall be at least 21 years of age,
 26 citizens of the United States, and residents of Georgia for at least two years at the time of
 27 their appointment. No public commissioner shall be currently employed or contracted by
 28 a public or private postsecondary institution in the State of Georgia. Public commissioners
 29 shall be subject to the code of ethics covering members of commissions, boards, directors,
 30 and authorities as set forth in Code Sections 45-10-3 and 45-10-4 and shall be subject to
 31 removal for violation thereof as provided for in such Code sections. No commissioner shall
 32 be eligible to become an officer or employee of the commission for a period of one year
 33 after expiration of the commissioner's period of service as a commissioner.

34 (c) *Officers of board of commissioners.* The officers of the board of commissioners shall
 35 consist of a ~~chairman~~ chairperson and a ~~vice-chairman~~ vice chairperson, who shall serve
 36 as ~~chairman~~ chairperson in the absence or incapacity of the ~~chairman~~ chairperson, each of
 37 whom shall be elected from the public commissioners of the board to serve for a term of

1 not more than two years and who shall be eligible for reelection to successive terms unless
2 otherwise provided in the bylaws of the commission, and a secretary of the board of
3 commissioners, who may be a commissioner or an employee of the commission.

4 (d) *Meetings of board of commissioners.* The board of commissioners shall provide for
5 the holding of regular and special meetings. The board of commissioners shall hold at least
6 one regular meeting during each fiscal year but may hold as many regular meetings during
7 any fiscal year as may be deemed necessary. The ~~chairman~~ chairperson is authorized to call
8 at any time a special meeting of the board of commissioners, provided at least five days'
9 advance notice is provided to each commissioner. A majority of the commissioners then
10 in office shall constitute a quorum for the transaction of any business and for the exercise
11 of any power, duty, or function of the board of commissioners; and no vacancy on the
12 board of commissioners shall impair the right of a quorum of the commissioners then in
13 office to transact any business or to exercise any power, duty, or function of the board of
14 commissioners. The concurrence of a majority of commissioners present at any meeting
15 of the board of commissioners at which a quorum is present shall be sufficient to constitute
16 official action of the board of commissioners. All meetings of the board of commissioners
17 shall be open to the public except as otherwise provided by state law. Meetings of the board
18 of commissioners shall generally be held at the principal office or place of business of the
19 commission but may be held elsewhere within the state when authorized by the board of
20 commissioners.

21 (e) *Executive committee.* The board of commissioners is authorized to establish, elect, and
22 provide for the organization and duties of an executive committee of the board of
23 commissioners, to consist of not less than ~~seven~~ five commissioners, which may, in
24 intervals between regular meetings of the board of commissioners, meet and transact any
25 business and exercise any power, duty, or function of the board of commissioners unless
26 otherwise restricted by the board of commissioners. The presence at a meeting of the
27 executive committee of a majority of the members of such committee shall constitute a
28 quorum. The concurrence of members of the executive committee equal to a majority of
29 the membership of the executive committee shall be required to constitute official action
30 of the executive committee. Any authorized official action taken by the executive
31 committee shall be binding upon the board of commissioners and the commission until the
32 next regular meeting of the board of commissioners. Meetings of the executive committee
33 shall be open to the public except as otherwise provided by state law. Meetings of the
34 executive committee shall generally be held at the principal office or place of business of
35 the commission but may be held elsewhere within the state when authorized by the board
36 of commissioners. Whenever the board of commissioners, at any regularly scheduled
37 meeting of the board of commissioners, shall fail to have a quorum present, but a quorum

1 of the executive committee of the board of commissioners is present, such meeting shall
 2 continue as an official meeting of the executive committee under this subsection for the
 3 purpose of taking any official action which the executive committee is otherwise
 4 authorized to take.

5 (f) *Other committees.* The board of commissioners is authorized to establish and provide
 6 for the organization and duties of such other interim or standing committees of the board
 7 of commissioners as it may deem necessary in the performance of its powers, duties, and
 8 functions. Such other committees may only be authorized to investigate or to consider, and
 9 to report their findings or recommendations to the board of commissioners, upon such
 10 matter or matters as the board of commissioners shall prescribe and may not be authorized
 11 to take any binding action for or on behalf of the board of commissioners.

12 (g) *Compensation of commissioners.* Public commissioners shall receive the sum provided
 13 by Code Section 45-7-21 for each day of actual attendance at meetings of the commission
 14 or for each day of travel, within or outside the state, as a member of the commission, which
 15 travel has been authorized by the ~~chairman~~ chairperson or by action of the commission,
 16 plus reimbursement for actual transportation costs while traveling by public carrier or the
 17 legal mileage rate for the use of a personal automobile to and from the place of meeting.
 18 No member of the commission shall be authorized to receive the sums, expenses, and costs
 19 provided by this subsection for more than 18 days per year. ~~Members of the commission~~
 20 ~~who are state officials shall not be paid a per diem but shall be reimbursed for actual~~
 21 ~~expenses incurred by them in the performance of their duties under this part.~~

22 (h) *Advisory councils.* The board of commissioners is authorized to provide for the
 23 creation of one or more advisory councils pursuant to Code Section 50-4-4 as the board of
 24 commissioners may determine to be needful or helpful to the commission in the
 25 performance of its powers, duties, and functions under this part and to prescribe all matters
 26 relative thereto, including, without limitation, their membership, organization, duties,
 27 meetings, authorized travel, and the payment of per diem to and actual expenses incurred
 28 by advisory councilmembers while in the performance of duties prescribed by the board
 29 of commissioners."

30 SECTION 2.

31 Said article is further amended by striking subsection (a) of Code Section 20-3-264, relating
 32 to the board of directors of the Georgia Student Finance Authority, and inserting in its place
 33 a new subsection (a) to read as follows:

34 "(a) *Functions and composition.* The corporation shall be governed and all of its corporate
 35 powers, duties, and functions shall be exercised by a board of directors. The board of
 36 directors shall be composed of ~~15~~ 13 members, who shall be the same persons who are

1 serving and who shall serve as members of the board of commissioners of the commission
 2 pursuant to Code Section 20-3-234. The executive director of the corporation, or president,
 3 if designated by such title by the board of directors, shall be an ex officio member of the
 4 board of directors. The board of directors provided for by this subsection shall be the
 5 successor to and a continuation of, without interruption, the board of directors of the
 6 previously existing Georgia Higher Education Assistance Corporation. No director shall
 7 be eligible to become an officer or employee of the corporation for a period of one year
 8 after expiration of the director's period of service as a director of the corporation."

9 **SECTION 3.**

10 Said article is further amended by striking Code Section 20-3-265, relating to officers and
 11 employees of the commission, and inserting in its place a new Code Section 20-3-265 to read
 12 as follows:

13 "20-3-265.

14 The executive director of the commission, or president, if designated by such title by the
 15 board of commissioners, shall serve as the executive director, or president, if designated
 16 by such title by the board of directors, and chief executive officer of the corporation. ~~He~~
 17 The executive director shall provide for maintenance of accurate and permanent minutes
 18 and records of all proceedings and activities of the board of directors and the corporation
 19 and have authority and responsibility to implement and carry out all administrative powers,
 20 duties, and functions of the corporation in accordance with governing state and federal laws
 21 and rules, regulations, and policies prescribed by the board of directors. The treasurer of
 22 the commission shall serve as treasurer of the corporation. ~~He~~ The treasurer shall receive
 23 and disburse all funds made available to or for the use of the corporation by the General
 24 Assembly or otherwise in accordance with law and as may be directed by the board of
 25 directors. The secretary of the commission shall serve as secretary of the corporation. Other
 26 officers of the commission who are assigned duties and responsibilities relative to the
 27 purposes of the corporation may be designated as officers of the corporation. The foregoing
 28 officers and all other employees, professional personnel, agents, experts, consultants, and
 29 persons employed or retained by the commission who are assigned duties and
 30 responsibilities relative to the purposes of the corporation shall perform such assigned
 31 duties and responsibilities in accordance with the federal act and this part. Fidelity bond
 32 coverage of officers, employees, and members of the commission provided pursuant to
 33 paragraph (4) of Code Section 20-3-235 and covering such persons who are performing
 34 duties and responsibilities relative to the corporation pursuant to this part shall also be
 35 conditioned as to the insured and in such respects and for such sums as the board of
 36 directors determines necessary to protect the interests of the corporation."

SECTION 4.

Said article is further amended by striking Code Section 20-3-312, relating to definitions regarding the Georgia Student Finance Authority, and inserting in its place a new Code Section 20-3-312 to read as follows:

"20-3-312.

As used in this part, the term:

(1) 'Authority' means the Georgia Student Finance Authority created by Code Section 20-3-313.

(2) 'Authorized officer' means the ~~chairman, vice-chairman~~ chairperson, vice chairperson, executive director or president, treasurer, secretary, or other person authorized by this part, resolution of the board of directors, agreements entered into by the board of directors or the authority, or bylaws of the authority to act as an authorized officer of the authority for any prescribed purpose.

(3) 'Board of directors' means the board of directors of the authority.

(4) 'Borrower' means an eligible student or eligible parent who has obtained an educational loan under this part or from a lender under Part 2 of this article.

(5) 'Commission' means the Georgia Student Finance Commission created by Code Section 20-3-233.

(6) 'Corporation' means the Georgia Higher Education Assistance Corporation created by Code Section 20-3-263.

(7) 'Directory information' means the present or last known name, address, and place of employment; social security number; telephone number; school enrollment status; academic classification and standing; actual or anticipated date of graduation, withdrawal from, or transfer to another school; other educational loan indebtedness; and other financial aid available to, and other similar data as the case may be and as may be applicable to, an applicant for or the recipient of scholarship or grant assistance under this part or to a borrower, comaker, cosigner, endorser, or person or credit reference named on an application for loan guaranty submitted to a lender under Part 2 of this article, and the spouse thereof.

(8) 'Federal act' means all provisions of federal statutes which provide federal funds for any student financial aid purpose or for any activity related to student financial aid and federal statutes relative to programs of low-interest educational loans to students and parents administered in whole or in part by the secretary, including but not limited to the federal Higher Education Act of 1965 (P.L. 89-329), as amended, and all rules and regulations prescribed by the secretary pursuant thereto.

(9) 'Federal interest subsidies' means the interest subsidy payments on educational loans provided for in the federal act.

1 (10) 'Guaranty agency' means the corporation or any other state or nonprofit institution
 2 or organization with which the United States Department of Education has an agreement
 3 under the federal act of Title IV student aid programs.

4 (11) 'Guaranty fee' means the insurance premium charge on educational loans authorized
 5 by Code Section 20-3-271 or the federal act of Title IV student aid programs.

6 (12) 'Lender' means a 'lender' as defined in paragraph (12) of Code Section 20-3-262 or
 7 as prescribed by the federal act of Title IV student aid programs.

8 (13) 'Loan' or 'educational loan' means an obligation representing advances of money by
 9 a lender to an eligible student or eligible parent evidenced by one or more promissory
 10 notes, on note forms prescribed by ~~the corporation~~ any guaranty agency, as prescribed by
 11 the federal act of Title IV student aid programs. In the event of the purchase and sale or
 12 the pledge or assignment of such loans or a participating interest in such loans, the term
 13 shall include contingent interests, security interests, pledges, commitments, choses in
 14 action, or other property interests in such loans.

15 (14) 'Loan guaranty' means the document or endorsement issued by ~~the corporation~~ any
 16 guaranty agency, as prescribed by the federal act of Title IV student aid programs, as
 17 evidence of the guaranty by the corporation of an educational loan to be made by a lender
 18 to an eligible student or eligible parent. The term 'guaranty,' when used in this part, shall
 19 have the same meaning as 'insurance' as such term is used in the federal act and shall be
 20 synonymous therewith.

21 (15) 'Parent' or 'eligible parent' means a parent of an eligible student who qualifies for
 22 an educational loan under the federal act and regulations prescribed by ~~the corporation~~
 23 ~~and by~~ the authority.

24 (16) 'Part' means this part, including rules and regulations prescribed by the board of
 25 directors pursuant thereto.

26 (17) 'Secretary' means the United States secretary of education or any official succeeding
 27 to the powers of such secretary under the federal act.

28 (18) 'Special allowance payments' means the special allowance payments on educational
 29 loans provided for in the federal act."

30 SECTION 5.

31 Said article is further amended by striking subsection (a) of Code Section 20-3-314, relating
 32 to the functions and composition of the authority, and inserting in its place a new subsection
 33 (a) to read as follows:

34 "(a) *Functions and composition.* The authority shall be governed and all of its corporate
 35 powers, duties, and functions shall be exercised by a board of directors. The board of
 36 directors shall be composed of ~~15~~ 13 members, who shall be the same persons who are

1 serving and who shall serve as members of the board of commissioners of the commission
 2 pursuant to Code Section 20-3-234. The executive director of the authority, or president,
 3 if designated by such title by the board of directors, shall be an ex officio member of the
 4 board of directors. The board of directors provided for by this subsection shall be the
 5 successor to and a continuation of, without interruption, the board of directors of the
 6 previously existing Georgia Higher Education Assistance Authority. No director shall be
 7 eligible to become an officer or employee of the authority for a period of one year after
 8 expiration of the director's period of service as a director of the authority."

9 SECTION 6.

10 Said article is further amended by striking Code Section 20-3-315, relating to officers and
 11 employees of the authority, and inserting in its place a new Code Section 20-3-315 to read
 12 as follows:

13 "20-3-315.

14 The executive director of the commission, or president, if designated by such title by the
 15 board of commissioners, shall serve as the executive director or president, if designated by
 16 such title by the board of directors, and chief executive officer of the authority. ~~He~~ The
 17 executive director shall provide for maintenance of accurate and permanent minutes and
 18 records of all proceedings and activities of the board of directors and the authority and have
 19 authority and responsibility to implement and carry out all administrative powers, duties,
 20 and functions of the authority in accordance with governing state and federal laws and
 21 rules, regulations, and policies prescribed by the board of directors. The treasurer of the
 22 commission shall serve as treasurer of the authority. ~~He~~ The treasurer shall receive and
 23 disburse all funds made available to or for the use of the authority by the General Assembly
 24 or otherwise in accordance with law and as may be directed by the board of directors. The
 25 secretary of the commission shall serve as secretary of the authority. Other officers of the
 26 commission who are assigned duties and responsibilities relative to the purposes of the
 27 authority may be designated as officers of the authority. The foregoing officers and all
 28 other employees, professional personnel, agents, experts, consultants, and persons
 29 employed or retained by the commission who are assigned duties and responsibilities
 30 relative to the purposes of the authority shall perform such assigned duties and
 31 responsibilities in accordance with this part. Fidelity bond coverage of officers, employees,
 32 and members of the commission provided pursuant to paragraph (4) of Code Section
 33 20-3-235 and covering such persons who are performing duties and responsibilities relative
 34 to the authority pursuant to this part shall also be conditioned as to the insured and in such
 35 respects and for such sums as the board of directors determines necessary to protect the
 36 interests of the authority."

1 to be such officer before the delivery thereof, his or her signature or facsimile signature
 2 shall nevertheless be valid and sufficient for all purposes as if he or she had remained in
 3 office until such delivery. The authority may also provide for the authentication of the
 4 bonds or notes by a trustee or fiscal agent. Prior to the preparation of definitive bonds, the
 5 board of directors may issue interim receipts, interim certificates, or temporary bonds
 6 exchangeable for definitive bonds upon the issuance of the latter. The authority may also
 7 provide for the replacement of any bond which shall become mutilated or be destroyed or
 8 lost. Such revenue bonds may be issued without any other proceedings or the happening
 9 of any other conditions or things than those proceedings, conditions, and things which are
 10 specified or required by this part. Upon the approval of a resolution of the authority
 11 authorizing the sale of its bonds or notes, such bonds or notes may be sold in such manner,
 12 either at public or private sale, and for such price as the authority shall determine to be in
 13 the best interests of the authority and to effectuate best its purposes under this subpart."

14 SECTION 8.

15 Said article is further amended by striking Code Section 20-3-374, relating to service
 16 cancelable loans, and inserting in its place a new Code Section 20-3-374 to read as follows:
 17 "20-3-374.

18 (a) The authority shall maintain a service cancelable loan fund to which shall be credited:
 19 (1) State funds appropriated for use by the authority for service cancelable loan purposes;
 20 (2) Unrestricted moneys received by gift or otherwise and other moneys available for and
 21 determined by the authority to be ~~used~~ available for the purposes of the fund; and
 22 (3) Outstanding educational loans held by the authority under this subpart as to which
 23 the borrower has a right to repay ~~and in cash or cancel the loan through services rendered~~
 24 obligation for cash repayment through service in designated files.

25 (b) ~~To the extent that the General Assembly may provide and designate in annual~~
 26 ~~appropriations Acts, state~~ State funds appropriated for service cancelable loans shall be
 27 used by the authority to the greatest extent possible ~~by the authority~~ for the purposes
 28 designated in this subpart in accordance with ~~rules and regulations of the authority and the~~
 29 ~~following provisions, where applicable, or otherwise as may be specified by the General~~
 30 ~~Assembly in annual appropriations Acts:~~

31 (1) PARAMEDICAL AND OTHER MEDICAL RELATED PROFESSIONAL AND EDUCATIONAL
 32 FIELDS OF STUDY.

33 (A) The authority is authorized to make service cancelable educational loans to
 34 residents of Georgia enrolled in paramedical and other ~~professional and educational~~
 35 ~~fields of study, including selected degree programs in gerontology and geriatrics, as~~
 36 ~~defined and approved by the authority and in accordance with regulations of the~~

1 authority, with the exception of the program leading to the degree of doctor of
 2 medicine. The authority is authorized to determine fields of study and areas in which
 3 shortages of trained personnel exist and specific services are needed, establish any
 4 necessary eligibility or priority requirements, interview applicants or recipients of loans
 5 as may be necessary, consider other financial aid resources known to be available to
 6 applicants for a loan, consider the academic performance of students, determine loan
 7 amounts, and establish reasonable requirements and standards relative to applicants for
 8 loan assistance. The authority shall determine the academic levels of study at which
 9 loans may be made to students in any approved field. Educational loans made under this
 10 paragraph need not be limited to students attending a school located within the state but
 11 shall be conditioned on the student's understanding that the educational loan is to be
 12 repaid by the student, if the student completes the approved program of study, by
 13 practicing in the approved field at a site of employment or in a community or city in
 14 this state approved by the authority for a period of one year for each academic year of
 15 study or its equivalent for which a loan is made to the student under this paragraph, or
 16 otherwise in cash with interest thereon in accordance with the terms of the promissory
 17 note executed by the student. medical related professional and educational fields of
 18 study, including selected degree programs in gerontology and geriatrics. A student
 19 enrolled in a program leading to the degree of doctor of medicine shall not qualify for
 20 a loan under this paragraph. The authority shall, from time to time, by regulation
 21 designate the subfields of study that qualify for service cancelable loans under this
 22 paragraph. In determining the qualified subfields, the authority shall give preference
 23 to those subfields in which the State of Georgia is experiencing a shortage of trained
 24 personnel. Loans made under this paragraph need not be limited to students attending
 25 a school located within the state. However, any and all loans made under this
 26 paragraph shall be conditioned upon the student agreeing that the loan shall be repaid
 27 by the student either:

28 (i) Practicing in the designated qualified field in a geographical area in the State of
 29 Georgia approved by the authority. For service repayment, the loan shall be repaid
 30 at a rate of one year of service for each academic year of study or its equivalent for
 31 which a loan is made to the student under this paragraph; or

32 (ii) In cash repayment with assessed interest thereon in accordance with the terms and
 33 conditions of a promissory note that shall be executed by the student; and

34 (B) Any other provisions of this subpart and of Subpart 1 of this part to the contrary
 35 notwithstanding, the authority is authorized to make service cancelable loans to
 36 students pursuant to provisions of this paragraph even if such loans do not meet all
 37 requirements of the federal act and even though such loans may not be eligible for

1 ~~guarantee by the corporation. In this event, the terms and conditions of such loans as~~
 2 ~~prescribed by the authority shall, to the maximum extent deemed practicable, be the~~
 3 ~~same as otherwise prescribed in Part 2 of this article relative to loans made pursuant to~~
 4 ~~the federal act. The authority is authorized to make service cancelable loans to~~
 5 ~~residents of this state enrolled in a course of study leading to a degree in an educational~~
 6 ~~field that will permit the student to be employed as either a licensed practical nurse or~~
 7 ~~a registered nurse. Service cancelable loans can also be made available under this~~
 8 ~~paragraph for students seeking an advanced degree in the field of nursing. The~~
 9 ~~maximum loan amount that a full-time student may borrow under this paragraph shall~~
 10 ~~not exceed \$10,000.00 per academic year. Any and all loans made under this~~
 11 ~~paragraph shall be conditional upon the student agreeing that the loan shall be repaid~~
 12 ~~by the student either:~~

- 13 ~~(i) Practicing as a licensed practical or registered nurse in a geographical area in the~~
 14 ~~State of Georgia that has been approved by the authority. For service repayment, the~~
 15 ~~loan shall be repaid at a rate of one year of service for each academic year of study~~
 16 ~~or its equivalent for which a loan is made to the student under this paragraph; or~~
 17 ~~(ii) In cash repayment with assessed interest thereon in accordance with the terms and~~
 18 ~~conditions of a promissory note that shall be executed by the student;~~

19 ~~(C) The authority is authorized to make service cancelable educational loans to~~
 20 ~~residents of this state enrolled in a course of study leading to a baccalaureate or~~
 21 ~~advanced nursing degree to practice as a registered professional nurse for the~~
 22 ~~Department of Human Resources or any county board of health, it being found by the~~
 23 ~~General Assembly that a shortage exists of such personnel. The maximum loan amount~~
 24 ~~under this subparagraph for full-time students shall not exceed \$10,000.00 per academic~~
 25 ~~year. Such loans shall be conditioned upon the student's understanding and agreement~~
 26 ~~that the educational loan is to be repaid by the student, if the student completes the~~
 27 ~~approved program of study, by practicing as a registered professional nurse as an~~
 28 ~~employee of the Department of Human Resources or a county board of health for a~~
 29 ~~period of two years for each academic year of study or its equivalent for which a loan~~
 30 ~~is made to the student under this paragraph, or otherwise in cash with interest thereon~~
 31 ~~in accordance with the terms of the promissory note executed by the student.~~

32 (2) GEORGIA NATIONAL GUARD MEMBERS. ~~To the extent that funds are appropriated,~~
 33 ~~the~~ The authority is authorized to make service cancelable educational loans to residents
 34 of Georgia who are eligible members of the Georgia National Guard and who are enrolled
 35 at the undergraduate level in a private or public college or public postsecondary technical
 36 or vocational school located in the state. Members of the Georgia National Guard who
 37 are in good standing according to applicable regulations of the National Guard shall be

1 eligible to apply for a loan. Such loans shall be on the terms and conditions set by the
 2 authority in consultation with the Department of Defense, provided that any such loan
 3 shall not exceed an amount equal to the actual tuition charged to the recipient for the
 4 period of enrollment in an educational institution or the tuition charged by the University
 5 of Georgia for the period of enrollment at the university, whichever is less. Students
 6 eligible for the HOPE scholarship or HOPE grant at an eligible public or private
 7 postsecondary institution are not eligible to receive this loan during a school term in
 8 which they are receiving HOPE scholarship or HOPE grant funds. A loan recipient shall
 9 not be eligible to receive loan assistance provided for in this paragraph for more than five
 10 academic years of study. Educational loans may be made to full-time and half-time
 11 students. Upon the recipient's attainment of a baccalaureate degree from an institution
 12 or cessation of status as an active member, whichever occurs first, the loan provided by
 13 this paragraph shall be discontinued. The loan provided by this paragraph may be
 14 suspended at the discretion of the authority for a recipient's failure to maintain good
 15 military standing as an active member or failure to maintain sufficient academic standing
 16 and good academic progress and program pursuit. ~~Such loans~~ Loans made under this
 17 paragraph shall be repayable in cash, with interest thereon, or, upon satisfactory
 18 completion of a quarter, semester, year, or other period of study as determined by the
 19 authority; graduation; termination of enrollment in school; or termination of this
 20 assistance with approval of the authority, shall be canceled in consideration of the
 21 student's retaining membership in the Georgia National Guard during the period in which
 22 the loan is applicable. The adjutant general of Georgia shall certify eligibility and
 23 termination of eligibility of students for educational loans and eligibility for cancellation
 24 of educational loans by members of the Georgia National Guard in accordance with
 25 regulations of the authority;

26 (3) DOCTORS OF VETERINARY MEDICINE. The authority is authorized to make service
 27 cancelable educational loans to residents of Georgia who are enrolled in school in the
 28 field of doctor of veterinary medicine, including veterinary surgery, obstetrics, dentistry,
 29 and all other specialties of veterinary medicine. Loans may be made to students enrolled
 30 in a veterinary college or in a veterinary division of a university or college accredited by
 31 the American Veterinary Medical Association who are pursuing a program of study
 32 leading to the degree of doctor of veterinary medicine or its equivalent. ~~The authority is~~
 33 ~~authorized to consider, among other criteria, the need for veterinarians in the field of~~
 34 ~~specialization of interest to the student, the home area of the student, and the likelihood,~~
 35 ~~if determinable, that the student will practice his profession in an area of the state which~~
 36 ~~might entitle the student to repay the loan through services rendered. Educational loans~~
 37 ~~made under this paragraph need not be limited to students attending a school located~~

1 ~~within the state. Such loans shall be conditioned on the student's understanding that the~~
 2 ~~loan assistance is to be repaid by the student, if the student obtains a doctorate degree and~~
 3 ~~is licensed to practice veterinary medicine in the state, by practicing in the approved field~~
 4 ~~at a site of employment or in a community or area in this state approved by the authority~~
 5 ~~for a period of one year for each academic year of study, or its equivalent, for which a~~
 6 ~~loan is made to the student under this paragraph; provided, however, that The authority~~
 7 ~~shall from time to time, by regulation, designate specialties within the veterinary science~~
 8 ~~field that qualify for service cancelable loans under this paragraph. In designating the~~
 9 ~~qualified specialties, the authority shall give preference to those specialties in which there~~
 10 ~~are shortages of persons trained in that specialty in the State of Georgia. Loans made~~
 11 ~~under this paragraph need not be limited to students attending a school located in the~~
 12 ~~State of Georgia. However, any and all loans made under this paragraph shall be~~
 13 ~~conditional upon the student agreeing that the loan shall be repaid by the student either:~~

14 ~~(A) Practicing in the approved qualified field in a geographical area in the State of~~
 15 ~~Georgia approved by the authority. For service repayment, the loan shall be repaid at~~
 16 ~~a rate of one year of service for each academic year of study or its equivalent for which~~
 17 ~~a loan is made to the student under this paragraph; or~~

18 ~~(B) In cash repayment with assessed interest thereon in accordance with the terms and~~
 19 ~~conditions of a promissory note that shall be executed by the student.~~

20 ~~A geographical area for service~~ repayment through services rendered shall not be
 21 approved unless the recipient practices his profession in ~~area is~~ a rural or sparsely
 22 populated area of the state or in a community of 10,000 population or less according to
 23 the United States decennial census of ~~1970~~ 2000 or any future such census ~~and~~
 24 ~~experiencing a shortage of,~~ as the case may be, which community is in need of the
 25 ~~services of a licensed veterinarian substantially for purposes of meeting veterinarians to~~
 26 ~~meet~~ the needs of owners or producers of farm animals used for or in connection with the
 27 production of commercial food products. If the loan is not repaid by services rendered,
 28 it must be repaid by the student in cash with interest thereon in accordance with the terms
 29 of the promissory note executed by the student; ~~and~~

30 ~~(4) CRITICAL SHORTAGE FIELDS. The authority is authorized to make service cancelable~~
 31 ~~educational loans to residents of the State of Georgia enrolled in any field of study that~~
 32 ~~the authority, from time to time, designates by regulation as a field in which a critical~~
 33 ~~shortage of trained personnel exists in the State of Georgia. Loans made under this~~
 34 ~~paragraph need not be limited to students attending schools located within the State of~~
 35 ~~Georgia. However, any and all loans made under this paragraph shall be conditional~~
 36 ~~upon the student agreeing that the loan shall be repaid by the student either:~~

1 (A) Practicing in the designated field in a geographical area in the State of Georgia
 2 approved by the authority. For service repayment, the loan shall be repaid at a rate of
 3 one year of service for each academic year of study or its equivalent for which a loan
 4 is made to the student under this paragraph; or

5 (B) In cash repayment with assessed interest thereon in accordance with the terms and
 6 conditions of a promissory note that shall be executed by the student.

7 The authority is authorized to place other conditions and limitations on loans made under
 8 this paragraph as it may deem necessary to fill the void that has created the critical shortage
 9 in the field.

10 (c) All students receiving loans under this Code section shall execute, prior to the
 11 disbursement of any loan proceeds to or for the benefit of that student, a promissory note
 12 containing the terms and conditions of the service repayment and cash repayments.

13 ~~(c)~~(d) The amount total sum of service cancelable loans made by the authority in any fiscal
 14 year from state appropriations shall not exceed to students which may be canceled in
 15 consideration of services rendered shall be limited to the amount of authorizations funds
 16 for such loan purposes specified in annual appropriations Acts, which authorized amount,
 17 for cancellation purposes only, shall be cumulative. Such cancelable loan funds as may not
 18 be used for the purposes designated during any fiscal year shall become a part of the
 19 general loan fund account. Funds in the service cancelable loan fund account that are not
 20 expended by the authority for service cancelable loans during any fiscal year shall become
 21 a part of the general loan fund account.

22 ~~(d)~~(e) If the corporation, pursuant to Code Section 20-3-273, pays or has paid interest to
 23 the authority on a service cancelable loan made under this Code section, and if the
 24 borrower repays all or a portion of the loan through services rendered as provided for in
 25 this Code section, then the authority shall, in accordance with its regulations and in
 26 consideration of the services rendered by the borrower, repay to the corporation on behalf
 27 of the borrower all or a portion of the interest paid to the authority by the corporation under
 28 Code Section 20-3-273. To the extent that this subsection does not apply to all service
 29 cancelable loans made to a borrower pursuant to this Code section, the authority is
 30 authorized, for purposes of this subsection, to consider the loans made that are the subject
 31 of this subsection as being the earlier loans made to the borrower."

32 SECTION 9.

33 This Act shall become effective upon its approval by the Governor or upon its becoming law
 34 without such approval.

35 SECTION 10.

- 1 All laws and parts of laws in conflict with this Act are repealed.