

House Bill 851

By: Representatives Mitchell of the 88th, Jordan of the 77th, Randall of the 138th, and Ashe of the 56th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 1 of Title 20 of the Official Code of Georgia Annotated,
2 relating to general provisions pertaining to education, so as to provide for the Teacher Loan
3 Program; to provide for responsibilities of the State Board of Education; to provide for
4 procedures and limitations; to provide for related matters; to provide an effective date; to
5 repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 1 of Chapter 1 of Title 20 of the Official Code of Georgia Annotated, relating to
9 general provisions pertaining to education, is amended by inserting a new Code section to
10 read as follows:

11 "20-1-10.

12 (a) There is created the Teacher Loan Program, to be administered by the State Board of
13 Education. The State Board of Education shall:

14 (1) Subject to the availability of funding for the loan program from appropriations and
15 loan principal and interest repayments, award available loan funds to individual teachers
16 who:

17 (A) Teach full time in a school district or charter school within the state;

18 (B) Have obtained a teaching license for the first time within the prior five years;

19 (C) Except as provided in subsection (c) of this Code section, have not previously
20 received a program loan; and

21 (D) Demonstrate a desire to pursue a teaching career and purchase a home within the
22 state;

23 (2) Provide a program loan of \$15,000.00 to a selected loan recipient, to be used for the
24 purchase of the loan recipient's primary residence;

25 (3) Require a loan recipient to make interest payments at least annually on the
26 outstanding loan balance, at a fixed interest rate;

- 27 (4) Forgive:
- 28 (A) The amount of \$5,000.00 of the loan principal if the teacher teaches in a school
- 29 district or charter school for five consecutive years following receipt of the loan; and
- 30 (B) The remaining amount of the loan principal if the teacher teaches in a school
- 31 district or charter school for ten consecutive years following receipt of the loan;
- 32 (5) Require a loan recipient who:
- 33 (A) Does not teach in a school district or charter school for five consecutive years after
- 34 receiving the loan to repay the entire \$15,000.00 in loan principal, in addition to loan
- 35 interest payments, over a period not to exceed five years after discontinuing teaching
- 36 in a school district or charter school; or
- 37 (B) Teaches in a school district or charter school for more than five consecutive years
- 38 but less than ten consecutive years to repay the portion of the loan principal remaining
- 39 after the forgiveness under paragraph (4) of subsection (a) of this Code section, in
- 40 addition to loan interest payments, over a period not to exceed five years after
- 41 discontinuing teaching in a school district or charter school;
- 42 (6) Allow a principal prepayment at any time; and
- 43 (7) Allocate repayment, interest, and appropriation funds for new loans.
- 44 (b) The consecutive years of teaching requirements of this Code section are based on the
- 45 time period a teacher teaches in any school district or charter school or combination of
- 46 school districts or charter schools in the state during the relevant time period.
- 47 (c) The State Board of Education may award one additional loan to a loan recipient who:
- 48 (1) Sold the primary residence that served as collateral for the program loan within ten
- 49 years of receiving the loan;
- 50 (2) Repaid the loan principal and outstanding interest in full upon sale of the home; and
- 51 (3) Continues to meet the other eligibility requirements of this Code section.
- 52 (d) The State Board of Education shall make rules to:
- 53 (1) Establish loan recipient selection criteria, including creditworthiness; and
- 54 (2) Establish procedures for application, loan funding, and repayment, which shall
- 55 include procedures to:
- 56 (A) Secure the program loan with the primary residence of the loan recipient as
- 57 collateral; and
- 58 (B) Require full repayment of the outstanding loan principal and interest if and when
- 59 the primary residence is sold within ten years of loan issuance.
- 60 (e) If appropriations and loan principal and interest repayment funds are insufficient to
- 61 cover the costs associated with the Teacher Loan Program for all eligible applicants, the
- 62 State Board of Education shall:

63 (1) Limit the number of loans authorized to correspond to the amount of available funds;
64 and
65 (2) Select loan recipients using the criteria established pursuant to paragraph (1) of
66 subsection (d) of this Code section."

67 **SECTION 2.**

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

70 **SECTION 3.**

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