

1.1 ..... moves to amend H.F. No. 2546 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [136A.1792] REFINANCING FOR BORROWERS FACING A  
1.4 FINANCIAL EMERGENCY.

1.5 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms  
1.6 have the meanings given.

1.7 (b) "Financial emergency" means the death or permanent disability of:

1.8 (1) a borrower with a qualifying student loan; or

1.9 (2) the spouse of a borrower with a qualifying student loan.

1.10 (c) "Qualifying educational expenses" means actual costs paid for tuition and  
1.11 reasonable educational and living expenses related to attending a qualifying educational  
1.12 institution.

1.13 (d) "Qualifying educational institution" means an institution of higher education that  
1.14 had in effect at the time of an applicant's attendance a program participation agreement  
1.15 under United States Code, title 20, chapter 28, subchapter IV, part F, section 1094.

1.16 (e) "Qualifying student loan" means a government, commercial, or foundation  
1.17 loan used to pay for qualifying educational expenses. A government, commercial, or  
1.18 foundation loan issued to a parent to pay for the qualifying education expenses of the  
1.19 parent's child is a qualifying student loan.

1.20 Subd. 2. **Program established.** (a) The commissioner must establish a program to  
1.21 refinance the loans of a borrower facing a financial emergency, as provided in this section.

1.22 (b) Within the limits of available funds, the commissioner must refinance loans on  
1.23 a first-come, first-served basis.

1.24 Subd. 3. **Eligibility** (a) To be eligible to refinance a qualifying student loan under  
1.25 this section, an applicant must:

1.26 (1) demonstrate that, due to a financial emergency, the applicant is unable to make  
1.27 monthly payments on a qualifying student loan without significant financial hardship;

- 2.1 (2) demonstrate that the applicant's financial emergency does not qualify the applicant  
2.2 for an alternative payment plan or loan forgiveness through the applicant's existing lender;  
2.3 (3) annually provide proof of income, assets, and other financial information as  
2.4 specified by the commissioner; and  
2.5 (4) be a resident of Minnesota.

2.6 **Subd. 4. Alternative repayment plans.** (a) The commissioner must offer a  
2.7 borrower who refinances under this section an alternative repayment plan that accounts for  
2.8 the change in the borrower's financial circumstances due to a financial emergency. The  
2.9 commissioner may offer a borrower the temporary cessation of payments, reduced interest  
2.10 rates, income contingent repayments, or extended repayment terms.

2.11 (b) To the extent that it is necessary to offer an eligible borrower a payment plan that  
2.12 the borrower can reasonably afford, the commissioner may cancel part or all of the loan  
2.13 balance of a borrower who refinances under this section.

2.14 (c) The commissioner must annually update the payment plan of a borrower who  
2.15 refinances under this section to reflect changes in the borrower's financial circumstances.

2.16 **Subd. 5. Fund established.** (a) An emergency refinancing revolving loan fund is  
2.17 created for depositing funds appropriated to the commissioner for the program under this  
2.18 section. Appropriations to the fund do not cancel to the general fund, and are available  
2.19 continuously for the purposes of implementing the program required under this section.

2.20 (b) The commissioner must deposit in the fund any repayments made by a borrower  
2.21 who refinances under this section. Repayments received under this paragraph are  
2.22 immediately available for additional refinancing.

2.23 **Sec. 2. APPROPRIATION; REFINANCING FOR BORROWERS FACING A**  
2.24 **FINANCIAL EMERGENCY.**

2.25 \$500,000 in fiscal year 2017 is appropriated from the general fund to the  
2.26 commissioner of higher education for the refinancing program under section 136A.1792."

2.27 Amend the title as follows:

2.28 Page 1, line 3, after "circumstances;" insert "appropriating funds;"