

Subject Student loan debt counseling grant program

Authors Pryor and others

Analyst Nathan Hopkins, 651-296-5056

Date February 19, 2019

Overview

H.F. 550 establishes a permanent, statutory program to provide a grant to one organization offering student loan debt counseling. The grant program would be administered by the Office of Higher Education.

Background: The 2015 Legislature appropriated \$150,000 to the Office of Higher Education for a temporary student loan debt counseling pilot program. The pilot program grant was awarded to Lutheran Social Services. The program established in H.F. 550 is similar to the pilot program established in 2015.

Summary

Section	Description
1	<p>Student loan debt counseling.</p> <p>Establishes a program administered by the Office of Higher Education to provide grants to qualified organizations offering student loan debt repayment counseling.</p> <p>Subd. 1. Grant. Permits an organization receiving a grant to offer counseling to those capable of being served with available appropriations. Sets a goal that a grantee provide at least two counseling sessions to 75 percent of borrowers receiving counseling. Establishes that the purpose of the counseling is to enable borrowers to understand their loan and repayment options, manage loan repayments, and develop a workable budget.</p> <p>Subd. 2. Qualified debt counseling organization. Defines a qualified debt counseling organization as one that has experience in student loan counseling, employs certified financial counselors, and is based in Minnesota and has offices in multiple rural and metropolitan locations.</p> <p>Subd. 3. Grant application and award. Requires that applications be made in a form and manner specified by the commissioner. Describes the components that must be included on the application.</p> <p>Requires the commissioner to select one grant recipient every two years. The grant recipient would receive funding for both years of the biennium.</p>

Section	Description
2	<p>Subd. 4. Program evaluation. Requires a grant recipient to submit a report to the commissioner of higher education every two years. Specifies data elements to be included in the report.</p> <p>Subd. 5. Report to legislature. Requires the commissioner of higher education to submit a report on the program to the higher education committees of the legislature every two years.</p> <p>Appropriation. Appropriates an unspecified amount from the general fund for the student loan debt counseling program in section 1.</p>



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155