**South Carolina General Assembly**

125th Session, 2023-2024

**H. 3105**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Cobb-Hunter

Document Path: LC-0017SA23.docx

Introduced in the House on January 10, 2023

Currently residing in the House Committee on **Education and Public Works**

Summary: Teacher Loan Forgiveness

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 12/8/2022 House Prefiled

 12/8/2022 House Referred to Committee on **Education and Public Works**

 1/10/2023 House Introduced and read first time (House Journal‑page 67)

 1/10/2023 House Referred to Committee on **Education and Public Works** (House Journal‑page 67)

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**VERSIONS OF THIS BILL**

[12/08/2022](https://www.scstatehouse.gov/sess125_2023-2024/prever/3105_20221208.docx)

A bill

to amend the South Carolina Code of Laws by amending Section 59-26-20, relating to certain loan program Duties of the State Board of Education and the Commission on Higher Education, so as to provide for certain loan forgiveness for south carolina public school teachers.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 59-26-20(j) of the S.C. Code is amended to read:

 (j) the Commission on Higher Education, in consultation with the State Department of Education and the staff of the South Carolina Student Loan Corporation, shall develop a loan program in which talented and qualified state residents may be provided loans to attend public or private colleges and universities for the sole purpose and intent of becoming certified teachers employed in the State. in areas of critical need. Areas of critical need shall include both geographic areas and areas of teacher certification and must be defined annually for that purpose by the State Board of Education. The definitions used in the federal Perkins Loan Program shall serve as the basis for defining “critical geographical areas”, which shall include special schools, alternative schools, and correctional centers as identified by the State Board of Education. The recipient of a loan is entitled to have up to one hundred percent of the amount of the loan plus the interest canceled if he becomes certified and teaches in an area of critical need. Should the area of critical need in which the loan recipient is teaching be reclassified during the time of cancellation, the cancellation shall continue as though the critical need area had not changed. Additionally, beginning with the 2000-2001 school year, a teacher with a teacher loan through the South Carolina Student Loan Corporation shall qualify, if The recipient of a loan is entitled to have up to one hundred percent of the amount of the loan plus the interest canceled, if he becomes certified and teaches in a South Carolina public school. If the teacher is teaching in an area newly designated as a critical needs area (geographic or subject, or both) does not begin teaching in a South Carolina public school immediately upon completion of a teacher education program, but later does so, the teacher is eligible for loan forgiveness. Previous loan payments will not be reimbursed. The Department of Education and the local school district are responsible for annual distribution of the critical needs list. It is the responsibility of the teacher to request loan cancellation through service in a critical needs area to the Student Loan Corporation designated loan-servicing vendor by November first, annually.

 Beginning July 1, 2000 2018, the all past and future loans loan must will be canceled at the rate of twenty percent or three thousand dollars, whichever is greater, of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in either an academic critical need area or in a geographic need area. The loan must be canceled at the rate of thirty-three and one-third percent, or five thousand dollars, whichever is greater, of the total principal amount of the loan plus interest on the unpaid balance for each complete year of teaching service in both an academic critical need area and a geographic need area. Beginning July 1, 2000, all loan recipients teaching in the public schools of South Carolina but not in an academic or geographic critical need area are to be charged an interest rate below that charged to loan recipients who do not teach in South Carolina.

 Additional loans to assist with college and living expenses must be made available for talented and qualified state residents attending public or private colleges and universities in this State for the sole purpose and intent of changing careers in order to become certified teachers employed in the State in areas of critical need a South Carolina public school. These loan funds also may be used for the cost of participation in the critical needs alternative certification program pursuant to Section 59-26-30(A)(8). Such loans must be cancelled under the same conditions and at the same rates as other critical need loans specified herein.

 In case of failure to make a scheduled repayment of an installment, failure to apply for cancellation of deferment of the loan on time, or noncompliance by a borrower with the intent of the loan, the entire unpaid indebtedness including accrued interest, at the option of the commission, shall become immediately due and payable. The recipient shall execute the necessary legal documents to reflect his obligation and the terms and conditions of the loan. The loan program, if implemented, pursuant to the South Carolina Education Improvement Act, is to be administered by the South Carolina Student Loan Corporation an approved loan administration vendor. Funds generated from repayments to the loan program must be retained in a separate account and utilized as a revolving account for the purpose that the funds were originally appropriated. Appropriations for loans and administrative costs incurred by the corporation loan administration vendor are to be provided in annual amounts, recommended by the Commission on Higher Education, to the State Treasurer for use by the corporation loan administration vendor. The Education Oversight Committee shall review the loan program annually and report to the General Assembly.

 Notwithstanding another provision of this item:

 (1) For a student seeking loan forgiveness pursuant to the Teacher Loan Program after July 1, 2004, “critical geographic area” is defined as a school that:

 (a) has an absolute rating of below average or unsatisfactory;

 (b) has an average teacher turnover rate for the past three years that is twenty percent or higher; or

 (c) meets the poverty index criteria at the seventy percent level or higher.

 (2) After July 1, 2004, a student shall have his loan forgiven based on those schools or districts designated as critical geographic areas at the time of employment.

 (3) The definition of critical geographic area must not change for a student who has a loan, or who is in the process of having a loan forgiven before July 1, 2004.

SECTION 2. This act takes effect upon approval by the Governor.

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