



**Part 10. Teacher Loan Program**

**53A-1a-1001. Teacher Loan Program.**

(1) There is created the Teacher Loan Program, to be administered by the State Board of Education.

(2) The ~~State~~ Board of Education shall:

(a) ~~subject to the availability of funding for the loan program from appropriations and loan principal and interest repayments,~~ award ~~subject to [appropriated] available~~ loan funds to individual teachers who:

(i) teach full time in a school district ~~or charter school~~ within the state;

(ii) have obtained a teaching license for the first time within the prior five years;

(iii) except as provided in Subsection (4), have not previously received a program loan;

and

(iv) demonstrate a desire to pursue a teaching career and purchase a home within the state;

(b) provide a program loan of \$15,000 to a selected loan recipient, to be used for the purchase of the loan recipient's primary residence;

(c) require a loan recipient to make interest payments at least annually on the outstanding loan balance, at a fixed interest rate equal to the state treasurer's Utah Public Treasurers Investment Fund interest rate for the January prior to loan issuance, rounded to the nearest tenth of a percent;

(d) forgive:

(i) \$5,000 of the loan principal if the teacher teaches in a school district ~~or charter school~~ for five consecutive years following receipt of the loan; and

(ii) the remaining amount of the loan principal if the teacher teaches in a school district ~~or charter school~~ for ten consecutive years following receipt of the loan;

(e) require a loan recipient who:

(i) does not teach in a school district ~~or charter school~~ for five consecutive years after receiving the loan

to repay the entire \$15,000 in loan principal, in addition to loan interest payments, over a period not to exceed five years after discontinuing teaching in a school district ~~or charter school~~ ; or

(ii) teaches in a school district ~~or charter school~~ for more than five consecutive years but less than ten

consecutive years to repay the portion of the loan principal remaining after the forgiveness under Subsection (2)(d), in addition to loan interest payments, over a period not to exceed five years after discontinuing teaching in a school district ~~or charter school~~ ;

59 (f) allow a principal prepayment at any time; and

60 (g) allocate repayment, interest, and appropriation funds for new loans.

61 (3) The consecutive years of teaching requirements of this section are based on the

62 time period a teacher teaches in any school district ~~H→~~ or charter school ~~←H~~ or combination of

62a school districts ~~H→~~ or charter schools ~~←H~~ in the

63 state during the relevant time period.

64 (4) The State Board of Education may award one additional loan to a loan recipient

65 who:

66 (a) sold the primary residence that served as collateral for the program loan within ten

67 years of receiving the loan;

68 (b) repaid the loan principal and outstanding interest in full upon sale of the home; and

69 (c) continues to meet the other eligibility requirements of this section.

70 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

71 Board of Education shall make rules to:

72 (a) establish loan recipient selection criteria, including credit worthiness; and

73 (b) establish procedures for application, loan funding, and repayment, which shall

74 include procedures to:

75 (i) secure the program loan with the primary residence of the loan recipient as

76 collateral; and

77 (ii) require full repayment of the outstanding loan principal and interest if ~~S→~~ and when ~~←S~~ the

77a primary

78 residence is sold within ten years of loan issuance.

78a **~~S→~~ (6) If appropriations and loan principal and interest repayment funds are insufficient to**

78b **cover the costs associated with the Teacher Loan Program for all eligible applicants, the State**

78c **Board of Education shall:**

78d **(a) limit the number of loans authorized to correspond to the amount of available**

78e **funds; and**

78f **(b) select loan recipients using the criteria established pursuant to Subsection (5)(a). ~~←S~~**

79 **Section 2. Appropriation.**

80 As an ongoing appropriation subject to future budget constraints, there is appropriated

81 from the Uniform School Fund for fiscal year 2008-09, \$1,500,000 to the State Board of

82 Education to fund the Teacher Loan Program established in Section 53A-1a-1001.

83 **Section 3. Effective date.**

84 This bill takes effect on July 1, 2008.

**Legislative Review Note**  
**as of 11-8-07 4:38 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 85 - Teacher Loan Program**

**Fiscal Note**

2008 General Session  
State of Utah

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**State Impact**

Enactment of this bill would appropriate \$1,500,000 in ongoing Uniform School Fund revenue beginning in Fiscal Year 2009 to the State Board of Education to implement and administer the Teacher Loan Program created in the bill. It is assumed that any administrative costs are included in the appropriation.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Uniform School Fund	\$0	\$1,500,000	\$1,500,000	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

The bill would help individual teachers who participate in the Loan Program to purchase a home.

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