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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 603
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Ingram and Lightbody

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SUMMARY

- Requires the Chancellor of Higher Education to waive interest rates and suspend payments on state student loan programs for up to 60 days.
- Requires the Chancellor to conduct a study to assist institutions of higher education and students during the COVID-19 outbreak.
- Declares an emergency.

DETAILED ANALYSIS

Suspension of state student loan interest and payments

The bill requires the Chancellor of Higher Education, in accordance with administrative guidance issued by the U.S. Secretary of Education on March 20, 2020, to waive interest rates and suspend payments on state student loan programs for up to 60 days, including both of the following:

- The OhioMeansJobs Workforce Development Revolving Loan Program; and
- The Nurse Education Assistance Loan Program.¹

Study of other relief

The bill also requires the Chancellor to conduct a study, beginning within 90 days after the bill's effective date, to determine ways to offer relief and assistance to institutions of higher education during the COVID-19 outbreak, and make legislative recommendations.²

¹ Section 1(A).

² Section 1(B).

Background - suspension of federal student loan interest and payments

On March 20, 2020, the U.S. Secretary of Education, announced that the office of Federal Student Aid would automatically implement a waiver of interest rates on all federally held student loans for a period of at least 60 days due to the COVID-19 outbreak and the resulting closure of many college campuses.

The interest rate waiver is a general mandate for all borrowers with federally held student loans, however, unless the borrower requests a suspension of their payments they must continue to make payments. Upon submitting a request though they will be granted forbearance for up to 60 days. However, the Secretary of Education has made an exception to this, by also authorizing an automatic suspension of payments for any borrower (of a federal loan) more than 31 days delinquent as of March 13, 2020, or who becomes more than 31 days delinquent.

To see the full press release, please see the following link from the U.S. Department of Education's website: <https://www.ed.gov/news/press-releases/delivering-president-trumps-promise-secretary-devos-suspends-federal-student-loan-payments-waives-interest-during-national-emergency>.

HISTORY

Action	Date
Introduced	04-06-20