certain repayment obligations; <u>making this Act apply retroactively under certain circumstances; making this Act apply only to certain individuals;</u> and generally relating to student financial assistance and scholarships administered by the Maryland Higher Education Commission.

BY adding to
    Article – Education
    Section 18–112
    Annotated Code of Maryland
    (1999 Replacement Volume)

BY repealing and reenacting, with amendments,
    Article – Education
    Section 18–701(e)(1), 18–1102(d)(1), 18–2002(c)(1), <u>18–2107(b),</u> 18–2204(a), and
       18–2306(d)
    Annotated Code of Maryland
    (1999 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

18–112.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, REPAYMENT OBLIGATIONS INCURRED BY RECIPIENTS OF STUDENT FINANCIAL ASSISTANCE, SCHOLARSHIPS, GRANTS, OR LOANS ADMINISTERED BY THE COMMISSION UNDER THIS TITLE SHALL BE CALCULATED AT AN INTEREST RATE EQUAL TO AND MATCHING THE INTEREST RATE ESTABLISHED BY THE UNITED STATES DEPARTMENT OF EDUCATION FOR THE FEDERAL STAFFORD LOAN ON THE FIRST DAY OF JULY OF EACH YEAR ~~MINUS 1 PERCENT~~, WITH INTEREST NOT ACCRUING PRIOR TO NOTIFICATION TO THE COMMISSION OF A RECIPIENT'S GRADUATION OR TERMINATION FROM AN INSTITUTION OF HIGHER EDUCATION.

(B) A RECIPIENT SHALL COMMENCE REPAYMENT OBLIGATIONS INCURRED UNDER THIS TITLE UPON GRADUATION OR TERMINATION FROM AN INSTITUTION OF HIGHER EDUCATION.

18–701.

(e) (1) The recipient of an Economic Development Student Assistance Grant shall repay the Commission the funds received [plus simple interest that is equal to the prime rate plus 2 percent calculated from the date of the first payment of the grant award under this subtitle for any portion of the award not forgiven] AS SET FORTH IN § 18–112 OF THIS TITLE if the recipient does not:

(i) Complete the specified degree, attain the licensure or certification required, or fulfill other requirements as provided in this subtitle; and