

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Promote Legal Services in Rural Maine

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 20-A MRSA c. 437 is enacted to read:

CHAPTER 437

attorneys for maine program

§ 12901. Attorneys for Maine Program

There is established the Attorneys for Maine Program to provide financial assistance for legal education for up to 5 law students pursuing juris doctor degrees who received baccalaureate degrees from the University of Maine campuses at Presque Isle, Machias, Fort Kent and Farmington. The chief executive officer shall administer the program and shall establish pursuant to rules of the authority the rates of interest or fees to be charged.

§ 12902. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Academic achievement. "Academic achievement" means earning a grade point average of 3.0 or more, based on a 4.0 grade point system, or the equivalent, based upon the most recent cumulative grade point average.

2. Authority. "Authority" means the Finance Authority of Maine.

3. Chief executive officer. "Chief executive officer" means the Chief Executive Officer of the Finance Authority of Maine.

4. Law school. "Law school" means the University of Maine School of Law.

5. Participating school. "Participating school" means the University of Maine campuses at Presque Isle, Machias, Fort Kent and Farmington.

6. Return service. "Return service" means service as a licensed attorney practicing law in an underserved area of the State and maintaining residency in the underserved area in which the service is performed.

7. Underserved area. "Underserved area" means an area of the State that is underserved in legal services, as determined by the chief executive officer.

§ 12903. Attorneys for Maine Program loan recipients

The following provisions apply to an Attorneys for Maine Program loan recipient.

1. Criteria for loan recipients. Each year graduating seniors and graduates within one year subsequent to graduation from a participating school who have applied for admission to the law school and show evidence of academic achievement may be considered for recognition as Attorneys for Maine Program loan recipients. Applications must be submitted to the chief executive officer at a time and in a format to be determined by rule of the authority. The chief executive officer in collaboration with the admissions department of the law school shall adopt rules to establish criteria for the selection of loan recipients under this chapter.

2. Law school. Except as provided in this subsection, the law school shall reserve 5 admissions into each first-year class for the loan recipients selected under this section. The law school is not required to accept a potential loan recipient who does not meet the minimum standards for admission to the law school. The law school is not required to reserve 5 admissions into a first-year class if there are fewer than 5 applicants for admission who meet the minimum standards for admission to the law school who have applied for a loan under this chapter. If there are fewer than 5 applicants for admission to the law school who have applied for a loan under this chapter who meet the minimum standards for admission to the law school, the law school must accept the number of applicants who have applied for a loan under this chapter who meet the minimum standards for admission.

3. Governor. The Governor, after consultation with the chief executive officer and the dean of the law school, shall announce the names of those individuals admitted to the law school and selected by the chief executive officer to be Attorneys for Maine Program loan recipients.

§ 12904. Allocation of funds

A loan equal to the amount of tuition for that academic year, up to 3 academic years' total, may be made to a student pursuing a juris doctor degree. A loan is for one academic year and is renewable if the recipient maintains a grade point average of at least 2.5 based on a 4.0 grade point system or the equivalent and submits a complete renewal application by the annual deadline established by rule of the authority.

§ 12905. Payment provisions

Payment of a loan granted under this chapter must be made directly to the law school for credit to the student's account and be made within 60 days following evidence that the student has become duly enrolled at the law school. The loan must be used only to substitute or replace the family contribution or an interest-accruing loan. A loan recipient may not receive student financial assistance for tuition in excess of the cost of attendance not including room, board and other nontuition expenses. If a recipient of a loan withdraws from the law school and if the student is entitled to a refund of tuition, fees or other charges, the law school shall pay directly to the authority from that refund a sum that represents the portion of the loan paid to the student for the portion of the academic year that the student did not complete.

§ 12906. Repayment and return service provisions

The following provisions apply to repayment and return service under the Attorneys for Maine Program.

1. Return service. A student who receives a loan under this chapter may cancel the total amount of the loan by completing 5 years of return service in an underserved area. Return service for this purpose must be begun within 5 years of graduation from the law school. If the chief executive officer grants a deferment under subsection 4, the time period for performance of return service may be extended for the same period as the deferment. Return service may not be credited for the same semester for which an individual receives a loan pursuant to this chapter. Failure to fulfill the return service option necessitates repayment to the authority as required by this section. If a loan recipient begins return service after a payment has been made towards the loan pursuant to this section, the return service may only forgive that balance of the loan given under this chapter at the time of the beginning of return service.

2. Debt calculation. The debt with respect to a loan under this chapter must include the total amount of the loan and interest at the rate established by rule of the authority.

3. Time for repayment. The total debt with respect to a loan under this chapter must be repaid to the authority within 11 years of graduation from the law school according to a schedule established by the chief executive officer. Due dates for repayments are set by the chief executive officer and may be extended for the same period of any deferment granted by the chief executive officer under subsection 4.

4. Deferment. A recipient of a loan under this chapter may seek a deferment of the annual payments for a period as established by rule of the authority. A request for deferment must be made to the chief executive officer, who shall make determinations on a case-by-case basis. The chief executive officer may grant a deferment in the event that a recipient of a loan evidences intent to secure employment necessary to obtain forgiveness of the loan at the time the deferment is sought. The chief executive officer shall require certification of the intent annually and grant a deferment for each successful request for deferment for a period not to exceed one year. The chief executive officer may establish limits to the number of deferments that may be granted to a recipient by rule of the authority.

5. Death or disability. The authority may forgive a loan under this chapter of a loan recipient who has died or who has become permanently disabled, as determined by the chief executive officer.

6. Failure to obtain license. If a recipient of a loan under this chapter fails to obtain a license to practice law in the State due to performance on the bar examination, the recipient may receive credit of 50% of the amount of the loan by performing public service in lieu of return service as approved by the chief executive officer for a 5-year period.

§ 12907. Nonlapsing, revolving fund

The Attorneys for Maine Program Fund, referred to in this section as "the fund," is created under the jurisdiction of the authority as a nonlapsing, interest-earning, revolving fund to carry out the purposes of this chapter. Any unexpended balance in the fund carries over for continued use under this chapter. The authority may receive, invest and expend, on behalf of the funds, money from gifts, grants, bequests, loans, including loans obtained pursuant to chapter 417-B, and donations, in addition to money appropriated or allocated by the State. Loan repayments under this chapter or other repayments to the authority must be invested by the authority, as provided by law, with the earned income to be added to the

fund. Money received by the authority on behalf of the fund, except interest income, must be used for the designated purpose; interest income may be used for the designated purpose or to pay student financial assistance administrative costs incurred by the authority as determined appropriate by the authority.

§ 12908. Rules

The authority may adopt rules to carry out the purposes of this chapter. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. Appropriations and allocations. The following appropriations and allocations are made.

FINANCE AUTHORITY OF MAINE

Attorneys for Maine Program

Initiative: Provides funds for loans under the Attorneys for Maine Program.

GENERAL FUND	2007-08	2008-09
All Other	\$90,750	\$199,650
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GENERAL FUND TOTAL	\$90,750	\$199,650

SUMMARY

This bill makes ongoing General Fund appropriations of \$90,750 for fiscal year 2007-08 and \$199,650 for fiscal year 2008-09 to provide loans under the Attorneys for Maine Program for up to 5 law students at the University of Maine School of Law who have received baccalaureate degrees from the University of Maine campuses at Presque Isle, Machias, Fort Kent and Farmington. The Attorneys for Maine Program also allows for a loan given under the program to be forgiven if a loan recipient provides legal services in an underserved area of the State for 5 years after receiving a juris doctor degree.