



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 374**

Hearing Date: January 24, 2007
Committee On: Health and Human Services

Introducer(s): (Johnson, 37)
Title: Change repayment provisions for rural health education loans

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 - Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Senator(s): Johnson, Erdman, Hansen, Howard, Gay, Stuthman, Pankonin
	No	
	Present, not voting	
	Absent	

Proponents:

Senator Johnson
John Roberts
Roger Wells
Carly Runestad

Representing:

Introducer
Nebraska Rural Health Association
Rural Health Advisory Commission
Nebraska Hospital Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 374 (Johnson, Erdman) Change repayment provisions for rural health education loans.

LB 374 relates to the contract buy-out provisions for rural health student loans under the Nebraska Rural Health Systems and Professional Incentive Act.

Current law requires a borrower who receives a student loan under the act but practices an approved specialty in Nebraska but not in a designated profession shortage area, practices a specialty other than an approved specialty in Nebraska, or practices outside Nebraska to repay

100% of the loan principal with interest at a rate of 24% simple interest per year from the date the loan was granted.

LB 374 would require the repayment of 150% of the outstanding loan principal with interest at a rate of 6% simple interest per year from the date of default.

LB 374 makes technical changes to section 71-5667 to delete an obsolete operative date and reference the new operative date of the bill. The bill has an operative date of July 1, 2007 with the emergency clause.

Explanation of amendments, if any:

Senator Joel Johnson, Chairperson