

RCW 28B.93.020 Program design recommendations—Consultation on sustainability. (1) The Washington student achievement council, in consultation with the office of the state treasurer and the state investment board, shall design a student loan program to assist students who need additional financial support to obtain postsecondary education.

(2) At a minimum, the program design must make recommendations about the following features of a state student loan program and implementation plan:

(a) A low interest rate that is below current federal subsidized student loan interest rates not to exceed 2.5 percent;

(b) The terms of the loans, including:

(i) Loan limits not to exceed \$20,000 annually per borrower;

(ii) Grace periods, including grace periods for active duty members of the national guard who may lose eligibility when being called up for active duty; and

(iii) Minimum postsecondary enrollment standards;

(c) The terms and administration of a repayment program, including:

(i) Repayment options such as standard loan repayment contracts and the length of the repayment contracts, which shall not exceed 25 years;

(ii) Income-based repayment plans; and

(iii) Terms of loan forgiveness;

(d) The types and characteristics of borrowers permitted to participate in the program including family income, degree and credential types, and other borrower characteristics. The program must prioritize low-income borrowers; and

(e) The design and administration of an appeals process.

(3) In the design of the program, the Washington student achievement council may recommend contracting with one or more state-based financial institutions regulated by either chapter 31.12 or 30A.04 RCW to provide loan origination and may contract with a third-party entity to provide loan servicing for the program. The Washington student achievement council must use an open and competitive bid process in the selection of one or more financial institutions for loan origination and servicing for the program. A third-party entity providing loan servicing shall comply with all of the requirements for student education loan servicers under chapter 31.04 RCW.

(4) The Washington student achievement council may retain a consultant to design a loan program, including one or more financial advisors, to provide consultation on the sustainability of the loan program.

(5) The Washington student achievement council shall provide a report on the design, sustainability, and implementation plan for the program to the governor and the higher education committees of the legislature by December 1, 2023, in accordance with RCW 43.01.036. [2023 c 389 § 3; 2022 c 206 § 3.]