

ASSEMBLY, No. 2890

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 28, 2022

Sponsored by:

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes loan redemption program for licensed mental health professionals.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/28/2022)

1 AN ACT establishing a loan redemption program for licensed mental
2 health professionals and supplementing chapter 71C of Title 18A
3 of the New Jersey Statutes.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. As used in this act:

9 “Authority” means the Higher Education Student Assistance
10 Authority established pursuant to N.J.S.18A:71A-3.

11 “Eligible student loan expenses” means the cumulative
12 outstanding balance of the principal and interest due on student
13 loans used to cover the cost of attendance while enrolled in an
14 undergraduate or graduate degree program at an institution of
15 higher education.

16 “Executive director” means the executive director of the
17 authority.

18 “Licensed mental health professional” means a person who
19 provides mental health counseling services and is licensed or
20 otherwise authorized pursuant to Title 45 of the Revised Statutes to
21 practice a health care profession that is regulated by the State Board
22 of Medical Examiners, the State Board of Psychological Examiners,
23 the State Board of Social Work Examiners, the State Board of
24 Marriage and Family Therapy Examiners, the Alcohol and Drug
25 Counselor Committee, the Professional Counselor Examiners
26 Committee, or the Certified Psychoanalysts Advisory Committee.

27 “Program” means the Licensed Mental Health Professional Loan
28 Redemption Program established pursuant to section 2 of this act.

29 “Program participant” means a licensed mental health
30 professional who meets the criteria set forth in subsection b. of
31 section 2 of this act, and who has entered into a written contract
32 with the authority for participation in the program.

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34 2. a. There is established in the Higher Education Student
35 Assistance Authority a Licensed Mental Health Professional Loan
36 Redemption Program for licensed mental health professionals who
37 provide mental health counseling services within the State. The
38 program shall provide loan redemption payments, not to exceed
39 \$1,000 per payment, to program participants for each year of mental
40 health counseling service, except that a program participant may not
41 participate in the program for longer than four years. A program
42 participant shall use each loan redemption payment to defray the
43 costs of eligible student loan expenses.

44 b. To qualify for participation in the program, an applicant
45 shall:

46 (1) be a resident of the State;

- 1 (2) be a licensed mental health professional employed in a full-
2 time position providing mental health counseling services within
3 the State;
- 4 (3) have an outstanding balance of eligible student loan
5 expenses and not be in default on any eligible student loan
6 expenses; and
- 7 (4) satisfy any additional criteria that the authority may deem
8 necessary.
- 9 c. The executive director shall select the program participants
10 from among those applicants who meet the criteria set forth in
11 subsection b. of this section, subject to available funds.
12
- 13 3. a. A person who has been selected by the executive director
14 pursuant to section 2 of this act shall enter into a written contract
15 with the authority. The contract shall, at a minimum, specify the
16 dates that the program participant shall be employed in a full-time
17 position providing mental health counseling services within the
18 State.
- 19 b. Before the authority provides a loan redemption payment to
20 a program participant during any year of program participation, the
21 program participant shall submit to the authority:
- 22 (1) proof of residency in the State during the previous 12-month
23 period;
- 24 (2) such certification as the authority deems appropriate to
25 demonstrate that the program participant was employed in a full-
26 time position providing mental health counseling services within
27 the State during the previous 12-month period;
- 28 (3) certification of the outstanding balance of eligible student
29 loan expenses; and
- 30 (4) any other information that the authority may deem
31 necessary.
- 32 c. Upon certification that a program participant has met all
33 criteria set forth in this section, the authority shall provide a loan
34 redemption payment, in an amount not to exceed \$1,000, to the
35 program participant to defray the costs of eligible student loan
36 expenses. If during any year of program participation, the eligible
37 student loan expenses of a program participant do not exceed
38 \$1,000, then the authority shall provide a loan redemption payment
39 equal to the outstanding balance of the eligible student loan
40 expenses, and the program participant shall cease to participate in
41 the program.
- 42 d. A program participant who has entered into a written
43 contract with the authority may nullify the agreement by notifying
44 the authority, in writing, and reassuming full responsibility for the
45 outstanding balance of eligible student loan expenses.
- 46 e. A person who knowingly or willfully furnishes false or
47 misleading information for the purpose of receiving a loan

1 redemption payment under the program is guilty of a crime of the
2 fourth degree.

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4 4. The authority shall adopt rules and regulations, pursuant to
5 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
6 seq.), necessary to effectuate the purposes of this act.

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8 5. This act shall take effect immediately.

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STATEMENT

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13 This bill establishes a student loan redemption program for
14 licensed mental health professionals who provide mental health
15 counseling services within the State.

16 Specifically, the bill establishes the Licensed Mental Health
17 Professional Loan Redemption Program ("program") within the
18 Higher Education Student Assistance Authority ("authority"). The
19 program would provide loan redemption payments to licensed
20 mental health professionals who are employed in a full-time
21 position providing mental health counseling services within the
22 State ("qualifying occupation").

23 Under the bill, a program participant may receive a loan
24 redemption payment, in an amount not to exceed \$1,000, for each
25 full year of mental health counseling services. However, a person
26 may not participate in the program for longer than four years. Any
27 loan redemption payment provided through the program is required
28 to support the outstanding balance of the participant's eligible
29 student loan expenses.

30 To qualify for participation in the program, an applicant is
31 required to: (1) be a resident of the State; (2) be a licensed mental
32 health professional who is employed in a qualifying occupation; (3)
33 have an outstanding balance of eligible student loan expenses and
34 not be in default on any eligible student loan expenses; and (4)
35 satisfy any additional criteria that the authority may deem
36 necessary.

37 When a person is selected for participation in the program, the
38 person would be required to enter into a written contract with the
39 authority. At a minimum, this contract would specify the dates that
40 the program participant is required to be employed in a qualifying
41 occupation. The bill permits a program participant to withdraw
42 from the program by providing written notice to the authority.

43 Under the bill, the authority may not provide a loan redemption
44 payment without first receiving the following documentation from
45 the program participant: (1) proof of residency in the State during
46 the previous 12-month period; (2) such certification as the authority
47 deems appropriate to demonstrate that the program participant was
48 employed in a qualifying occupation during the previous 12-month

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1 period; (3) certification of the outstanding balance of eligible
2 student loan expenses; and (4) any other information that the
3 authority may deem necessary.

4 Any person who knowingly or willfully furnishes false or
5 misleading information for the purpose of receiving a loan
6 redemption payment under the program is guilty of a crime of the
7 fourth degree, which is punishable by a term of imprisonment of up
8 to 18 months, a fine of up to \$10,000, or both.