

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0638.02 Jason Gelender x4330

SENATE BILL 16-024

SENATE SPONSORSHIP

Jones, Todd, Aguilar, Donovan, Kefalas, Kerr, Merrifield

HOUSE SPONSORSHIP

Moreno,

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING CAPPING PRIVATE STUDENT LOAN INTEREST RATES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill establishes a cap on the annual interest rate that a nongovernmental lender may charge for a student loan taken for the purpose of financing undergraduate, graduate, or professional education and related expenses of 2 percentage points over the rate that the federal government would charge the student for a direct unsubsidized student loan made for the same purpose.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 5-12-108 as
3 follows:

4 **5-12-108. Student loans issued by private lenders - maximum**
5 **rate of interest.** NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
6 MAXIMUM ANNUAL RATE OF INTEREST THAT A BANK, CREDIT UNION, OR
7 OTHER LENDER THAT IS NOT GOVERNMENTAL OR QUASI-GOVERNMENTAL
8 IN NATURE MAY CHARGE FOR A STUDENT LOAN TAKEN FOR THE PURPOSE
9 OF FINANCING UNDERGRADUATE, GRADUATE, OR PROFESSIONAL
10 EDUCATION AND RELATED EXPENSES IS THE RATE THAT THE FEDERAL
11 GOVERNMENT WOULD CHARGE THE STUDENT FOR A DIRECT UNSUBSIDIZED
12 STUDENT LOAN MADE FOR THE SAME PURPOSE PLUS TWO PERCENTAGE
13 POINTS.

14 **SECTION 2. Applicability.** This act applies to student loans
15 entered into on or after the effective date of this act.

16 **SECTION 3. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act
22 within such period, then the act, item, section, or part will not take effect
23 unless approved by the people at the general election to be held in
24 November 2016 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.