HOUSE BILL NO. 447
(As Passed the House)

AN ACT TO AMEND SECTION 37-159-111, MISSISSIPPI CODE OF 1972, WHICH ESTABLISHES THE MISSISSIPPI EMPLOYER-ASSISTED HOUSING TEACHER PROGRAM THAT PROVIDES INTEREST-FREE LOANS TO LICENSED TEACHERS IN CRITICAL TEACHER SHORTAGE AREAS, TO EXTEND THE DATE OF REPEAL FROM JULY 1, 2001, TO JULY 1, 2005; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 37-159-11, Mississippi Code of 1972, is amended as follows:

37-159-11. (1) There is established the Mississippi Employer-Assisted Housing Teacher Program, which shall be a special home loan program for eligible licensed teachers who render service to the state in a geographical area of the state where there exists a critical shortage of teachers, as designated by the State Board of Education. The home loan program shall be administered by the State Department of Education in conjunction with the Federal National Mortgage Association (Fannie Mae). The department may contract with one or more public or private entities to provide assistance in implementing and administering the program. The State Board of Education shall adopt rules and regulations regarding the implementation and administration of the program.

(2) Participation in the loan program shall be available to any licensed teacher who renders service in a geographical area of the state where there exists a critical shortage of teachers, as designated by the State Board of Education. Any person who receives a loan under the program shall be required to purchase a house and reside in a county in which the school district for
which the teacher is rendering service, or any portion of the
school district, is located. The maximum amount of a loan that
may be made under the program to any person shall be Six Thousand
Dollars ($6,000.00).

(3) Any loan made under the program to a person who actually
renders service as a teacher in a geographical area of the state
where there exists a critical shortage of teachers, as designated
by the State Board of Education, shall be converted to an
interest-free grant on the basis of one (1) year's service for
one-third (1/3) of the amount of the loan. Any person who does
not render three (3) years' service as a teacher in a geographical
area of the state where there exists a critical shortage of
teachers, as designated by the State Board of Education, shall be
liable to the State Department of Education for one-third (1/3) of
the amount of the loan for each year that he does not render such
service, plus interest accruing at the current Stafford Loan rate
at the time the person discontinues his service. If a claim for
repayment under this subsection is placed in the hands of an
attorney for collection, the obligor shall be liable for an
additional amount equal to a reasonable attorney's fee.

(4) All funds received by the State Department of Education
as repayment of loans by program participants shall be deposited
in the Mississippi Critical Teacher Shortage Fund.

(5) This section shall stand repealed on July 1, 2005.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2001.