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EDUCATION CODE - EDC**TITLE 3. POSTSECONDARY EDUCATION [66000 - 101149.5]** (Title 3 enacted by Stats. 1976, Ch. 1010.)**DIVISION 5. GENERAL PROVISIONS [66000 - 70115.2]** (Division 5 enacted by Stats. 1976, Ch. 1010.)**PART 42. STUDENT FINANCIAL AID PROGRAM [69400 - 70115.2]** (Part 42 enacted by Stats. 1976, Ch. 1010.)**CHAPTER 2. Student Financial Aid Programs [69500 - 70048]** (Chapter 2 enacted by Stats. 1976, Ch. 1010.)**ARTICLE 12. Public Interest Attorney Loan Repayment Program [69740 - 69746.5]** (Article 12 added by Stats. 2001, Ch. 881, Sec. 2.)**69740.** Unless the context requires otherwise, the definitions in this section govern the construction of this article.

(a) "Commission" means the Student Aid Commission.

(b) "Eligible education and training programs" means education and training programs approved by the commission that lead to eligibility for a license to practice law as a licensed attorney.

(c) "Eligible expenses" means reasonable expenses associated with the costs of acquiring an education such as tuition, books, equipment, fees, room and board, and other expenses determined by the commission.

(d) "Eligible participant" means a licensed attorney who has been admitted to the program and is a resident of this state and who can provide proof of residency in this state.

(e) "Licensed attorney" means an attorney who resides in this state who has successfully passed the California bar examination and has been admitted to practice in this state or has otherwise been licensed to practice law in this state by the State Bar of California.

(f) "Loan repayment" means a loan that is paid in full or in part if the participant renders legal services in this state in a public interest area of the law.

(g) "Participant" means a licensed attorney who has been admitted to the program and has commenced practice as a licensed attorney in this state in a public interest area of the law.

(h) "Program" means the Public Interest Attorney Loan Repayment Program.

(i) "Public interest area of the law" means those areas of the law determined by the commission, in consultation with the advisory committee, to serve the public interest, including, but not necessarily limited to, providing direct legal service at a local (1) legal services organization, (2) prosecuting attorney's office, (3) child support agency office, or (4) criminal public defender's office. For the purposes of this article, a "legal services organization" is a legal services provider in California that serves a clientele over 70 percent of whom are low-income persons according to applicable federal income guidelines.

(j) "Required service obligation" means an obligation by the participant to provide legal services in this state in a public interest area of the law as established pursuant to this article.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69741. The Public Interest Attorney Loan Repayment Program is established for licensed attorneys who practice or agree to practice in public interest areas of the law in this state. The program shall be administered by the commission.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69741.5. (a) Participants in this program are eligible for a maximum of eleven thousand dollars (\$11,000) in loan assistance for four years, as follows:

(1) For the first year, two thousand dollars (\$2,000) in loan repayment assistance.

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(2) For the second, third, and fourth years, three thousand dollars (\$3,000) in loan repayment assistance for each year.

(b) Notwithstanding any other provision of law, in any fiscal year, the commission shall award no more than the number of warrants that are authorized in the annual Budget Act for that fiscal year for the assumption of loans pursuant to this article.

(Amended by Stats. 2006, Ch. 79, Sec. 28. Effective July 19, 2006.)

69742. (a) The commission shall establish eligibility criteria for participation in the program based upon need and merit. These criteria shall be based on all of the following, which are set forth in order of importance:

(1) The applicant's need, which shall be based on the applicant's salary, personal resources, and law school debt.

(2) The applicant's commitment to public interest law, which shall be determined by examining the applicant's employment and volunteer history, and taking into consideration a low-income applicant's need to work while in law school.

(3) The applicant's declared interest in practicing in areas of the state where the need for public interest attorneys is high.

(4) The applicant's academic achievements.

(b) The commission shall adopt initial regulations for the program within one year of the effective date of the initial appropriation funding the program.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69743. The program is intended to supplement, and not to replace, existing loan repayment programs operated by law schools. Prior to participating in the program, an applicant shall apply for any educational loan assistance from his or her educational institution for which he or she may qualify. Only if an applicant has received no loan repayment assistance, or only partial assistance, from other available sources, may he or she apply to the program for assistance in repaying the balance of his or her educational loans.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69743.5. The commission shall select, from the qualified applicants, the individuals who are eligible to participate in the program. After each year-long period of full-time, or full-time equivalent, employment in a public interest area of the law, the loan repayment of the eligible participant shall be made to the lender.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69744. The commission may use the funds appropriated for the program for the purpose of loan repayments and to defray reasonable administrative costs. The commission shall annually establish the total amount of funding to be awarded for loan repayments. Allocation of funds shall be established based upon the best use of funding for that year, as determined by the commission.

(Amended by Stats. 2006, Ch. 79, Sec. 29. Effective July 19, 2006.)

69745. (a) Loans from both government sources and financial institutions may be repaid by the program. Each participant shall agree to allow the commission access to loan records and to acquire information from lenders necessary to verify eligibility and to determine payments. Loans may not be renegotiated with lenders to accelerate repayment.

(b) Payments shall be made annually to the lender until the loan is repaid, fulfilled, or until the required service obligation is fulfilled and eligibility discontinues, whichever comes first.

(c) If the participant discontinues practicing in a public interest area of the law, payments against the loans of the participant shall cease to be effective on the date that the participant discontinues service.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69746. The commission is not responsible for any outstanding payments on principal and interest to any lender once a participant's eligibility expires.

(Added by Stats. 2001, Ch. 881, Sec. 2. Effective January 1, 2002.)

69746.5. The commission shall submit an annual written report to the Legislature regarding this program. The report shall include, but not necessarily be limited to, all of the following data:

(a) The total number of loan repayment awards made under the program in the immediately preceding fiscal year, classified by the repayment year as described in subdivision (a) of Section 69741.5.

(b) The total amount of funds expended for the purposes of loan repayments, and the total amount of funds expended to defray administrative costs, in the immediately preceding fiscal year.

(c) The annual and cumulative attrition rates of participants, as calculated through the end of the immediately preceding fiscal year.

(Added by Stats. 2006, Ch. 79, Sec. 30. Effective July 19, 2006.)