

CHAPTER 426-A

ACCESS TO JUSTICE LOAN PROGRAM

§12311. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2025, c. 508, §1 (NEW).]

1. Authority. "Authority" means the Finance Authority of Maine.
[PL 2025, c. 508, §1 (NEW).]

2. Fund. "Fund" means the Access to Justice Loan Program Revolving Fund established in section 12313.
[PL 2025, c. 508, §1 (NEW).]

3. Maine resident. "Maine resident" means a person who, at the time the person submits an application for participation in the program, has been a resident of this State, for purposes other than enrolling in an accredited law school, for a minimum of 2 years and who satisfies any other criteria adopted by the authority by rule.

In adopting other criteria by rule, the authority shall, at a minimum, consider the following:

- A. The length of a person's residence in the State for purposes other than enrolling in an accredited law school; [PL 2025, c. 508, §1 (NEW).]
- B. The secondary school attended by a person; [PL 2025, c. 508, §1 (NEW).]
- C. The legal residence of the parents of a person; [PL 2025, c. 508, §1 (NEW).]
- D. A person's place of voting registration, if registered to vote; and [PL 2025, c. 508, §1 (NEW).]
- E. The jurisdictions to which a person pays income or other taxes. [PL 2025, c. 508, §1 (NEW).]
[PL 2025, c. 508, §1 (NEW).]

4. Program. "Program" means the Access to Justice Loan Program established in section 12312.
[PL 2025, c. 508, §1 (NEW).]

5. Underserved area. "Underserved area" means an area in the State, as determined by the authority, in which there is an insufficient number of licensed and practicing attorneys to satisfy the significant and unmet need for legal services of the individuals residing in that area.
[PL 2025, c. 508, §1 (NEW).]

SECTION HISTORY

PL 2025, c. 508, §1 (NEW).

§12312. Access to Justice Loan Program

1. Establishment. The Access to Justice Loan Program is established within and under the administration of the authority to annually, as funds permit, award loans to and enter into loan repayment agreements with eligible persons.
[PL 2025, c. 508, §1 (NEW).]

2. Eligibility. A person is eligible to participate in the program if the person:

- A. Is a Maine resident; [PL 2025, c. 508, §1 (NEW).]
- B. Meets one of the following educational and financial criteria:

(1) Is enrolled or intends to enroll in an accredited law school and demonstrates financial need; or

(2) Has graduated from an accredited law school within the 5 years prior to applying to the program, is licensed or eligible to be licensed to practice law in the State and has outstanding law school loans; [PL 2025, c. 508, §1 (NEW).]

C. Demonstrates an interest in or commitment to providing legal services in an underserved area; and [PL 2025, c. 508, §1 (NEW).]

D. Meets other eligibility criteria established by the authority. [PL 2025, c. 508, §1 (NEW).]
[PL 2025, c. 508, §1 (NEW).]

3. Funding options available; maximum amounts. As funds permit, the authority shall award loans to eligible applicants who meet the criteria in subsection 2, paragraph B, subparagraph (1) and shall enter into loan repayment agreements with eligible applicants who meet the criteria in subsection 2, paragraph B, subparagraph (2). The maximum loan or loan repayment amount available to each program participant is \$25,000 per year for a period of up to 4 years.
[PL 2025, c. 508, §1 (NEW).]

4. Loan agreement; forgiveness. An eligible applicant who meets the criteria in subsection 2, paragraph B, subparagraph (1) and is awarded a loan shall enter into a loan agreement as set out in this subsection.

A. Except as otherwise provided in this section, upon completion of the loan recipient's law school education, the recipient shall repay the loan as follows.

(1) If the loan recipient does not obtain loan forgiveness pursuant to subparagraph (2), the recipient shall repay the entire principal of the loan plus simple interest at a rate to be determined by the authority by rule. Interest may not begin to accrue on the loan until the loan recipient completes, withdraws from or otherwise fails to continue the recipient's law school education.

(2) A loan recipient who, upon conclusion of the recipient's law school education elects to offer legal services in an underserved area is forgiven 25% of the original outstanding indebtedness for each year the recipient offers those services. [PL 2025, c. 508, §1 (NEW).]

B. Loans must be repaid over a term not longer than 10 years, except that the authority may extend the term of a loan recipient's loan as necessary to ensure repayment. Repayment must commence when the loan recipient completes, withdraws from or otherwise fails to continue the recipient's law school education. [PL 2025, c. 508, §1 (NEW).]
[PL 2025, c. 508, §1 (NEW).]

5. Loan repayment agreement. An eligible applicant who meets the criteria in subsection 2, paragraph B, subparagraph (2) and enters into a loan repayment agreement receives payment from the authority on the recipient's outstanding indebtedness for law school education at a rate of \$25,000 for each year, up to a maximum of 4 years, that the recipient continues to offer legal services in an underserved area.
[PL 2025, c. 508, §1 (NEW).]

6. Default. Except as provided in subsection 7, a loan recipient under subsection 4 who agrees to offer legal services in an underserved area and who fails to complete the period of service required to pay off the loan pursuant to subsection 4, paragraph A, subparagraph (2) is liable to the authority for an amount equal to the sum of the total amount paid by or on behalf of the authority to or on behalf of the recipient under the loan agreement plus interest at a rate determined by the authority. The authority shall award a loan recipient credit for offering legal services in an underserved area for each consecutive 12-month period that the recipient offers those services.

A loan recipient may petition the authority for permission to default without penalty from a loan agreement to provide legal services in an underserved area. Upon receipt of such petition, the authority may provide the loan recipient permission to default without penalty based on catastrophic or other circumstances that prevent the recipient from offering legal services in an underserved area for the required period of time. In the case of a default permitted by the authority, the loan recipient must receive credit for the number of months served and shall repay to the authority in cash payments under the terms of the original loan agreement the remaining financial obligation plus interest.

[PL 2025, c. 508, §1 (NEW).]

7. Deferments. The authority may grant a loan recipient under subsection 4 a deferment on repayment of a loan under the program for causes established by the authority by rule. The authority shall assess interest on the loan during the deferment at a rate to be determined by the authority by rule. A loan recipient shall repay the recipient's total financial obligation to the authority, including principal and interest, through return service or cash payments.

[PL 2025, c. 508, §1 (NEW).]

8. Rules. The authority may adopt rules as necessary for the implementation and administration of the program. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2025, c. 508, §1 (NEW).]

SECTION HISTORY

PL 2025, c. 508, §1 (NEW).

§12313. Access to Justice Loan Program Revolving Fund

1. Fund established. The Access to Justice Loan Program Revolving Fund is established as a nonlapsing, interest-earning, revolving fund within and under the jurisdiction of the authority to carry out the purposes of the program. The fund must be administered in accordance with the following.

A. Any unexpended balance in the fund carries over for continued use under this chapter. [PL 2025, c. 508, §1 (NEW).]

B. The authority may receive, invest and expend, on behalf of the fund, money from gifts, grants, bequests and donations in addition to money appropriated or allocated by the State. [PL 2025, c. 508, §1 (NEW).]

C. Loan repayments by recipients of loans under this chapter or other repayments to the authority must be invested by the authority, as provided by law, with the earned income to be added to the fund. [PL 2025, c. 508, §1 (NEW).]

D. Money received by the authority on behalf of the fund, except interest income, must be used for the designated purpose of awarding loans and entering into loan repayment agreements under the program; interest income may be used for the designated purposes of the program or to pay student financial assistance administrative costs incurred by the authority for the operation of the program. [PL 2025, c. 508, §1 (NEW).]

[PL 2025, c. 508, §1 (NEW).]

2. Allocation of repayments. The authority may reallocate a portion of the annual loan repayments under subsection 1, paragraph C for the purpose of recruiting law school students and recent law school graduates to offer legal services in underserved areas. That portion may be used:

A. In accordance with criteria established by the authority, to encourage law school students and recent law school graduates to offer legal services in underserved areas; or [PL 2025, c. 508, §1 (NEW).]

B. To repay education loans for the law school education of licensed attorneys to enable the attorneys to offer legal services in underserved areas in accordance with section 12312, subsection 5. [PL 2025, c. 508, §1 (NEW).]

[PL 2025, c. 508, §1 (NEW).]

3. Rules. The authority may adopt rules as necessary for the implementation and administration of the fund. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2025, c. 508, §1 (NEW).]

SECTION HISTORY

PL 2025, c. 508, §1 (NEW).

§12314. Stakeholder consultation

In implementing, administering and assessing the effectiveness of the program and the fund, the authority shall consult with the University of Maine System and may engage additional stakeholders from the legal community, including, but not limited to, representatives of legal education communities and legal practice communities in the State and organizations representing the interests of underserved areas in the State. [PL 2025, c. 508, §1 (NEW).]

SECTION HISTORY

PL 2025, c. 508, §1 (NEW).

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