

1 ENGROSSED HOUSE
2 BILL NO. 2644

By: Thomsen and Pittman of the
House

3 and

4 Jolley of the Senate
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7 An Act relating to schools; amending 70 O.S. 2001,
8 Section 623, which relates to the guaranteeing of
9 student loans; modifying certain statutory reference;
10 modifying description of participating schools;
11 deleting certain requirements for applicants;
12 expanding authorization to utilize certain federal
13 student loan assistance funds for certain purposes;
14 authorizing the State Regents for Higher Education to
15 provide certain assistance services through contract
16 or agreements; modifying restriction on interest
17 rate; deleting requirement to consider certain
18 student hardships and to consolidate certain loans;
19 clarifying statutory language; providing an effective
20 date; and declaring an emergency.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 70 O.S. 2001, Section 623, is
23 amended to read as follows:

24 Section 623. A. The Oklahoma State Regents for Higher
Education are hereby authorized to utilize the Student Educational
Assistance Fund and to administer the student loan guarantee program
under the federal Higher Education Act of 1965, as amended, for
guaranteeing loans made by private or public lending institutions to
loan guarantee applicants ~~for such loan guarantees~~ for the purpose

1 of obtaining financial assistance for attendance at any vocational
2 ~~rehabilitation participating~~ school, vocational education or trade
3 school, or any institution of higher learning, under the following
4 conditions:

5 1. ~~Every such applicant shall demonstrate to the satisfaction~~
6 ~~of the State Regents or their delegate or delegates that the student~~
7 ~~is a worthy applicant for such assistance, that the student is~~
8 ~~unable to obtain funds necessary for an adequate program of~~
9 ~~education at the institution of the student's choice without such~~
10 ~~assistance, and shall undertake repayment of the loan guarantee in~~
11 ~~compliance with conditions stated herein;~~ to participate in any
12 other federal student loan program, and to provide support services
13 for students and others in conjunction with the United States
14 Department of Education in areas including, but not limited to,
15 default prevention, financial literacy, financial aid awareness,
16 college access and outreach and other areas as permitted or mandated
17 by current or future federal legislation. The State Regents are
18 authorized to provide the student and parent borrower assistance
19 services described in this section for any and all federal student
20 loan programs through contracts and agreements with the United
21 States Department of Education or other entities.

22 2. B. No ~~such~~ loan guaranteed by the State Regents ~~through the~~
23 ~~Student Educational Assistance Fund~~, except as required by federal
24 regulation, shall require repayment while the student is pursuing at

1 least a half-time course of study on a continuing basis in a
2 ~~vocational rehabilitation participating school, vocational education~~
3 ~~or trade school, or institution of higher learning.~~ The rate of
4 interest on the loan shall be ~~subject to the approval of the State~~
5 ~~Regents, but shall not be in excess of the interest or rate of~~
6 ~~interest allowable in any similar federally guaranteed Student Loan~~
7 ~~Program;~~ as established in the Higher Education Act of 1965, as
8 amended.

9 3. C. The State Regents are further authorized and empowered to
10 promulgate ~~such~~ rules and procedures with respect to applicant
11 eligibility, terms of loans, and other matters ~~they may consider~~
12 considered appropriate, as will facilitate the program authorized by
13 this ~~act~~ section and the Higher Education Act of 1965, as amended,
14 and as will not conflict with the terms hereof. ~~Such~~ The procedures
15 may include, but not be limited to, entering into agreements with
16 other ~~Federal Family Education Loan Program (FFELP)~~ federal loan
17 program participants such as schools, lenders, servicers, secondary
18 markets, collection agencies, guarantee agencies, ~~and~~ the United
19 States Department of Education, and other entities. ~~It is the~~
20 ~~intent of the Legislature that the State Regents consider the~~
21 ~~hardships existing due to previous requirements of applicants.~~
22 ~~That, further, the State Regents make every effort to consolidate~~
23 ~~previous loans of full-time students for students now qualifying as~~
24 ~~part-time students and guarantee these combined loans;~~

1 ~~4.~~ 1. The State Regents may notify each licensing board in
2 this state of the default of payment of the student in accordance
3 with Section 623.1 of this title~~7~~.

4 ~~5.~~ 2. A licensing agency shall provide information indexed by
5 social security number to the State Regents when ~~such~~ the
6 information is requested for use in the default prevention efforts
7 or collection of defaulted student loans guaranteed by the State
8 Regents.

9 3. Any information disclosed under ~~this~~ the provision of this
10 subsection shall be utilized for the purpose outlined ~~herein~~ in this
11 subsection and shall be held strictly confidential by the State
12 Regents.

13 4. No member or employee of any entity who discloses
14 information pursuant to this ~~section~~ subsection shall be criminally
15 or civilly liable for any error or omission in the disclosure of
16 ~~such~~ the information~~7~~and.

17 ~~6.~~ 5. In addition to other collection methods authorized by
18 law, the State Regents may establish and implement programs for
19 administrative garnishment and wage withholding, in accordance with
20 applicable federal laws and regulations, to collect on defaulted
21 student loans.

22 SECTION 2. This act shall become effective July 1, 2010.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

3 Passed the House of Representatives the 2nd day of March, 2010.

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6 Presiding Officer of the House of
7 Representatives

8 Passed the Senate the ____ day of _____, 2010.

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11 Presiding Officer of the Senate

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