

THE HOUSE OF REPRESENTATIVES
Thursday, February 18, 2010

Committee Substitute for
House Bill No. 2644

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2644 - By: THOMSEN AND
PITTMAN of the House.

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

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

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

3 Section 623. A. The Oklahoma State Regents for Higher Education are hereby
4 authorized to utilize the Student Educational Assistance Fund and to administer the
5 student loan guarantee program under the federal Higher Education Act of 1965, as
6 amended, for guaranteeing loans made by private or public lending institutions to loan
7 guarantee applicants ~~for such loan guarantees~~ for the purpose of obtaining financial
8 assistance for attendance at any ~~vocational-rehabilitation~~ participating school, ~~vocational~~

1 education or trade school, or any institution of higher learning, under the following
2 conditions:

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

16 ~~2. B. No such loan guaranteed by the State Regents through the Student~~
17 ~~Educational Assistance Fund, except as required by federal regulation, shall require~~
18 ~~repayment while the student is pursuing at least a half-time course of study on a~~
19 ~~continuing basis in a vocational rehabilitation participating school, vocational education~~
20 ~~or trade school, or institution of higher learning. The rate of interest on the loan shall be~~
21 ~~subject to the approval of the State Regents, but shall not be in excess of the interest or~~

1 ~~rate of interest allowable in any similar federally guaranteed Student Loan Program; as~~
2 established in the Higher Education Act of 1965, as amended.

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

16 ~~4. D. 1.~~ The State Regents may notify each licensing board in this state of the
17 default of payment of the student in accordance with Section 623.1 of this title;.

18 ~~5. 2.~~ A licensing agency shall provide information indexed by social security
19 number to the State Regents when ~~such~~ the information is requested for use in the
20 default prevention efforts or collection of defaulted student loans guaranteed by the State
21 Regents.

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

4 4. No member or employee of any entity who discloses information pursuant to this
5 ~~section~~ subsection shall be criminally or civilly liable for any error or omission in the
6 disclosure of ~~such~~ the information; ~~and.~~

7 ~~6.~~ 5. In addition to other collection methods authorized by law, the State Regents
8 may establish and implement programs for administrative garnishment and wage
9 withholding, in accordance with applicable federal laws and regulations, to collect on
10 defaulted student loans.

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

12 SECTION 3. It being immediately necessary for the preservation of the public
13 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
14 this act shall take effect and be in full force from and after its passage and approval.

15 COMMITTEE REPORT BY: COMMITTEE ON HIGHER EDUCATION AND CAREER
16 TECH, dated 02-17-10 - DO PASS, As Amended and Coauthored.