

EHB 2644

THE STATE SENATE  
Monday, March 29, 2010

ENGROSSED

House Bill No. 2644

As Amended

ENGROSSED HOUSE BILL NO. 2644 - By: Thomsen and Pittman of the House and Jolley of the Senate.

[ schools - guaranteeing student loans - modifying requirements - effective date - emergency ]

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

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

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

~~1. Every such applicant shall demonstrate to the satisfaction of the State Regents or their delegate or delegates that the student~~

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

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

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

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

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

1       ~~5-~~ 2. A licensing agency shall provide information indexed by  
2 social security number to the State Regents when ~~such~~ the  
3 information is requested for use in the default prevention efforts  
4 or collection of defaulted student loans guaranteed by the State  
5 Regents.

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

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

14       ~~6-~~ 5. In addition to other collection methods authorized by  
15 law, the State Regents may establish and implement programs for  
16 administrative garnishment and wage withholding, in accordance with  
17 applicable federal laws and regulations, to collect on defaulted  
18 student loans.

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

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

1 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 3-24-10 - DO  
2 PASS, As Amended.