

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL 357

By: Holt

COMMITTEE SUBSTITUTE

An Act relating to student loans; amending 70 O.S. 2011, Section 623, which relates to guaranteeing loans; directing the State Regents for Higher Education to promulgate certain rules; removing language regarding notification of certain licensing boards; repealing 70 O.S. 2011, Section 623.1, which relates to suspension of licensees in student loan default; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2011, 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 the purpose of obtaining financial assistance for attendance at any participating school, to

1 participate in any other federal student loan program⁷ and to
2 provide support services for students and others in conjunction with
3 the United States Department of Education in areas including, but
4 not limited to, default prevention, financial literacy, financial
5 aid awareness, college access and outreach and other areas as
6 permitted or mandated by current or future federal legislation. The
7 State Regents are authorized to provide the student and parent
8 borrower assistance services described in this section for any and
9 all federal student loan programs through contracts and agreements
10 with the United States Department of Education or other entities.

11 B. No loan guaranteed by the State Regents, except as required
12 by federal regulation, shall require repayment while the student is
13 pursuing at least a half-time course of study on a continuing basis
14 in a participating school. The rate of interest on the loan shall
15 be as established in the Higher Education Act of 1965, as amended.

16 C. The State Regents are further authorized and empowered to
17 promulgate rules and procedures with respect to applicant
18 eligibility, terms of loans, repayment agreements and other matters
19 considered appropriate, as will facilitate the program authorized by
20 this section and the Higher Education Act of 1965, as amended, and
21 as will not conflict with the terms hereof. The procedures may
22 include, but not be limited to, entering into agreements with other
23 federal loan program participants such as schools, lenders,
24 servicers, secondary markets, collection agencies, guarantee

1 agencies, the United States Department of Education, and other
2 entities.

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

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

10 ~~3.~~ 2. Any information disclosed under the provision of this
11 subsection shall be utilized for the purpose outlined in this
12 subsection and shall be held strictly confidential by the State
13 Regents.

14 ~~4.~~ 3. No member or employee of any entity who discloses
15 information pursuant to this subsection shall be criminally or
16 civilly liable for any error or omission in the disclosure of the
17 information.

18 ~~5.~~ 4. In addition to other collection methods authorized by
19 law, the State Regents may establish and implement programs for
20 administrative garnishment and wage withholding, in accordance with
21 applicable federal laws and regulations, to collect on defaulted
22 student loans.

23 SECTION 2. REPEALER 70 O.S. 2011, Section 623.1, is
24 hereby repealed.

1 SECTION 3. This act shall become effective July 1, 2017.

2 SECTION 4. It being immediately necessary for the preservation
3 of the public peace, health or safety, an emergency is hereby
4 declared to exist, by reason whereof this act shall take effect and
5 be in full force from and after its passage and approval.

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7 56-1-1435 EB 7/17/2018 10:00:42 AM