

1 ENGROSSED SENATE
2 BILL NO. 357

By: Holt of the Senate

3 and

4 Wright of the House
5

6 An Act relating to student loans; amending 70 O.S.
7 2011, Section 623, which relates to guaranteeing
8 loans; directing the State Regents for Higher
9 Education to promulgate certain rules; removing
10 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.

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

14 SECTION 1. AMENDATORY 70 O.S. 2011, Section 623, is
15 amended to read as follows:

16 Section 623. A. The Oklahoma State Regents for Higher
17 Education are hereby authorized to utilize the Student Educational
18 Assistance Fund and to administer the student loan guarantee program
19 under the federal Higher Education Act of 1965, as amended, for
20 guaranteeing loans made by private or public lending institutions to
21 loan guarantee applicants for the purpose of obtaining financial
22 assistance for attendance at any participating school, to
23 participate in any other federal student loan program, and to
24 provide support services for students and others in conjunction with

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

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

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

1 D. 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.~~

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

8 ~~3.~~ 2. Any information disclosed under the provision of this
9 subsection shall be utilized for the purpose outlined in this
10 subsection and shall be held strictly confidential by the State
11 Regents.

12 ~~4.~~ 3. No member or employee of any entity who discloses
13 information pursuant to this subsection shall be criminally or
14 civilly liable for any error or omission in the disclosure of the
15 information.

16 ~~5.~~ 4. In addition to other collection methods authorized by
17 law, the State Regents may establish and implement programs for
18 administrative garnishment and wage withholding, in accordance with
19 applicable federal laws and regulations, to collect on defaulted
20 student loans.

21 SECTION 2. REPEALER 70 O.S. 2011, Section 623.1, is
22 hereby repealed.

23 SECTION 3. This act shall become effective July 1, 2017.
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SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 20th day of February, 2017.

Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____,
2017.

Presiding Officer of the House
of Representatives