

An Act

ENROLLED SENATE
BILL NO. 357

By: Holt of the Senate

and

Wright of the House

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.

SUBJECT: Student loans

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 participate in any other federal student loan program, and to provide support services for students and others in conjunction with the United States Department of Education in areas including, but not limited to, default prevention, financial literacy, financial

aid awareness, college access and outreach and other areas as permitted or mandated by current or future federal legislation. The State Regents are authorized to provide the student and parent borrower assistance services described in this section for any and all federal student loan programs through contracts and agreements with the United States Department of Education or other entities.

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

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

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

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

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

~~4.~~ 3. No member or employee of any entity who discloses information pursuant to this subsection shall be criminally or

civilly liable for any error or omission in the disclosure of the information.

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

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

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

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 18th day of April, 2017.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____