HLS 20RS-605 ORIGINAL

2020 Regular Session

HOUSE BILL NO. 340

BY REPRESENTATIVE LANDRY

PRESCRIPTION: Provides relative to the liberative prescription of actions on loans for payment of certain costs of postsecondary education

1 AN ACT 2 To amend and reenact R.S. 9:5701(A) and to enact R.S. 9:5648, relative to liberative 3 prescription; to provide relative to loans for payment of certain costs of 4 postsecondary education; to provide for a prescription period of five years for actions 5 on such loans; to provide for commencement of prescription; and to provide for 6 related matters. 7 Be it enacted by the Legislature of Louisiana: 8 Section 1. R.S. 9:5701(A) is hereby amended and reenacted and R.S. 9:5648 is 9 hereby enacted to read as follows: 10 §5648. Postsecondary education loan; action on default of postsecondary education 11 loan 12 Notwithstanding any provision of law to the contrary, actions on contracts or 13 promissory notes securing the repayment of a loan assisting individuals in meeting 14 the expenses of postsecondary education, including graduate, professional, vocational, business, or technical education, shall be subject to a liberative 15 16 prescription of five years. This prescription commences from the day payment is 17 exigible. 18 19 §5701. Debts due charitable or educational institution or fund 20 A. Except as provided in Subsection B of this Section and R.S. 9:5648, 21 actions for debts including student loans, stipends, or benefits due to any charitable

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

or educational institution in the state or to any fund bequeathed for charitable or
educational purposes, or educational obligations owed to the state or its agencies,
other than obligations created under the Federal Family Education Loan Program,
are prescribed by thirty years, provided the debt is evidenced in writing.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 340 Original

2020 Regular Session

Landry

Abstract: Enacts a five year liberative prescriptive period for actions on postsecondary education loans.

<u>Present law</u> provides that actions on debts to any charitable or educational institution or educational obligations owed to the state or its agencies are subject to a 30 year liberative prescriptive period.

<u>Proposed law</u> excludes postsecondary education loans from the <u>present law</u> 30 year liberative prescriptive period.

<u>Proposed law</u> creates a five year liberative prescriptive period on actions on contracts or promissory notes securing the repayment of a postsecondary education loan.

(Amends R.S. 9:5701; Adds R.S. 9:5648)