

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL 357

6 By: Holt

7 COMMITTEE SUBSTITUTE

8 An Act relating to student loans; amending 70 O.S.  
9 2011, Section 623, which relates to guaranteeing  
10 loans; directing the State Regents for Higher  
11 Education to promulgate certain rules; removing  
12 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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15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

1 participate in any other federal student loan program, 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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