

# An Act

ENROLLED HOUSE  
BILL NO. 2644

By: Thomsen and Pittman of the  
House

and

Jolley of the Senate

An Act relating to schools; amending 70 O.S. 2001, Section 623, which relates to the guaranteeing of student loans; modifying certain statutory reference; modifying description of participating schools; deleting certain requirements for applicants; expanding authorization to utilize certain federal student loan assistance funds for certain purposes; authorizing the State Regents for Higher Education to provide certain assistance services through contract or agreements; modifying restriction on interest rate; deleting requirement to consider certain student hardships and to consolidate certain loans; clarifying statutory language; 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. 2001, 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 loan guarantee applicants ~~for such loan guarantees~~ for the purpose of obtaining financial assistance for attendance at any ~~vocational rehabilitation participating school, vocational education or trade~~

~~school, or any institution of higher learning, under the following conditions:~~

~~1. Every such applicant shall demonstrate to the satisfaction of the State Regents or their delegate or delegates that the student is a worthy applicant for such assistance, that the student is unable to obtain funds necessary for an adequate program of education at the institution of the student's choice without such assistance, and shall undertake repayment of the loan guarantee in compliance with conditions stated herein; 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.~~

~~2. B. No such loan guaranteed by the State Regents through the Student Educational Assistance Fund, 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 vocational rehabilitation participating school, vocational education or trade school, or institution of higher learning. The rate of interest on the loan shall be subject to the approval of the State Regents, but shall not be in excess of the interest or rate of interest allowable in any similar federally guaranteed Student Loan Program, as established in the Higher Education Act of 1965, as amended.~~

~~3. C. The State Regents are further authorized and empowered to promulgate such rules and procedures with respect to applicant eligibility, terms of loans, and other matters they may consider considered appropriate, as will facilitate the program authorized by this act section and the Higher Education Act of 1965, as amended, and as will not conflict with the terms hereof. Such The procedures may include, but not be limited to, entering into agreements with other Federal Family Education Loan Program (FFELP) federal loan program participants such as schools, lenders, servicers, secondary markets, collection agencies, guarantee agencies, and the United States Department of Education, and other entities. It is the intent of the Legislature that the State Regents consider the~~

~~hardships existing due to previous requirements of applicants. That, further, the State Regents make every effort to consolidate previous loans of full-time students for students now qualifying as part-time students and guarantee these combined loans;~~

~~4. 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~~7~~.

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

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

~~4.~~ No member or employee of any entity who discloses information pursuant to this ~~section~~ subsection shall be criminally or civilly liable for any error or omission in the disclosure of ~~such the~~ information; ~~and.~~

~~6. 5.~~ 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. This act shall become effective July 1, 2010.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and 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 House of Representatives the 2nd day of March, 2010.

*Wale Welcott*

Presiding Officer of the House of Representatives

Passed the Senate the 13th day of April, 2010.

*A. Bryan Mahesh*

Presiding Officer of the Senate

**OFFICE OF THE GOVERNOR**

Received by the Governor this 14<sup>th</sup>  
day of April, 2010,  
at 4:07 o'clock P M.

By: *[Signature]*

Approved by the Governor of the State of Oklahoma the 19<sup>th</sup> day of  
April, 2010, at 4:42 o'clock P M.

*Bornel Deen*

Governor of the State of Oklahoma

**OFFICE OF THE SECRETARY OF STATE**

Received by the Secretary of State this  
20<sup>th</sup> day of April, 2010,  
at 3:08 o'clock P M.

By: *M. Susan Savage*