

JAN 16 2002

EDUCATION

HOUSE FILE 2062
BY HOVERSTEN

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for licensure sanctions against defaulters of
2 designated loan and scholarship programs.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2062

1 Section 1. Section 272C.4, Code Supplement 2001, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 10. Establish procedures by which, in the
4 board's discretion, a license shall be suspended, denied, or
5 revoked, or other disciplinary action imposed, with regard to
6 a licensee subject to the board's jurisdiction who has
7 defaulted on a repayment or service obligation under any
8 federal or state educational loan or service-conditional
9 scholarship program. Notwithstanding any other provision to
10 the contrary, each board shall defer to the federal or state
11 program's determination of default upon certification by the
12 program of such a default on the part of a licensee, and shall
13 remove the suspension, grant the license, or stay the
14 revocation or other disciplinary action taken if the federal
15 or state program certifies that the defaulting licensee has
16 agreed to fulfill the licensee's obligation, or is complying
17 with an approved repayment plan. Licensure sanctions shall be
18 reinstated upon certification that a defaulting licensee has
19 failed to comply with the repayment or service requirements,
20 as determined by the federal or state program.

21 EXPLANATION

22 This bill provides for the imposition of sanctions by
23 licensing boards against licensees who default on designated
24 loan and scholarship program obligations. The bill provides
25 that each licensing board subject to Code chapter 272C shall
26 establish procedures for the suspension, denial, or revocation
27 of a license, or for the imposition of disciplinary action,
28 with regard to a licensee who has defaulted on a repayment or
29 service obligation under any federal or state educational loan
30 or service-conditional scholarship program. The bill provides
31 that, notwithstanding any other provision to the contrary,
32 each board shall defer to the federal or state program's
33 determination of default upon certification to the board by
34 the program of a licensee's default, and shall remove a
35 suspension, grant a license, or stay a revocation or other

1 disciplinary action if the federal or state program certifies
2 that the defaulting licensee has agreed to fulfill the
3 licensee's obligation, or is complying with an approved
4 repayment plan. The bill provides that the licensure
5 sanctions shall be reinstated upon certification that a
6 defaulting licensee has failed to comply with the repayment or
7 service requirements.

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