

By: Turner of Tarrant

H.B. No. 2624

A BILL TO BE ENTITLED

AN ACT

relating to the effects of default on a student loan administered by the Texas Higher Education Coordinating Board on renewal of certain licenses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter C, Chapter 52, Education Code, is amended by adding Section 52.42 to read as follows:

Sec. 52.42. LOAN DEFAULT GROUND FOR NONRENEWAL OF PROFESSIONAL OR OCCUPATIONAL LICENSE. (a) In this section:

(1) "License" means a certificate or similar form of permission issued or renewed by a licensing agency and required by law to engage in a profession or occupation.

(2) "Licensee" means a person to whom a licensing agency issues a license.

(3) "Licensing agency" means a board, commission, department, or other agency in the executive branch of state government that issues or renews a license. The term does not include the State Securities Board.

(b) The Texas Higher Education Coordinating Board shall identify the licensing agencies subject to this section and provide written notice to those agencies of the requirements prescribed by this section. Only those licensing agencies that the board identifies and that receive such notice are required to carry out this section.

1 (c) Annually, each licensing agency shall prepare a list of
2 the agency's licensees and submit the list to the board in hard copy
3 or electronic form. Using the submitted lists, the board
4 periodically shall:

5 (1) identify the licensees on the list who are in
6 default on loans administered by the board; and

7 (2) provide a list of those licensees to the
8 appropriate licensing agencies in hard copy or electronic form.

9 (d) A person who is in default on a loan administered by the
10 board may enter into an agreement with the board for repayment of
11 the defaulted loan. The board shall provide the person with a
12 certificate certifying that the person has entered a repayment
13 agreement on the defaulted loan.

14 (e) A licensing agency may not renew the license of a
15 licensee on the list provided by the board under Subsection (c)(2)
16 unless the licensee presents to the agency a certificate issued by
17 the board certifying that:

18 (1) the licensee has entered into a repayment
19 agreement with the board on the defaulted loan; or

20 (2) the licensee is not in default on a loan
21 administered by the board.

22 (f) A licensing agency may not renew the license of a
23 licensee who defaults on a repayment agreement unless the licensee
24 presents to the agency a certificate issued by the board certifying
25 that:

26 (1) the licensee has entered into another repayment
27 agreement with the board on the defaulted loan; or

1 (2) the licensee is not in default on a loan
2 administered by the board or on a repayment agreement.

3 (g) A licensing agency shall provide written notice of the
4 nonrenewal policies established by Subsections (e) and (f) to each
5 applicant for a license or for renewal of a license. The board
6 shall provide written notice of those policies on each loan
7 application form provided by the board and on each promissory note
8 signed by a borrower. Failure to provide the notice required by
9 this subsection does not affect the default status of a borrower or
10 the prohibitions on renewal of a license held by a person in
11 default.

12 (h) A licensing agency shall provide an opportunity for a
13 hearing to a licensee before the agency takes action concerning the
14 nonrenewal of a license under this section.

15 (i) Each licensing agency shall adopt any rules necessary to
16 carry out the licensing agency's duties under this section.

17 (j) The board by rule shall establish procedures to carry
18 out the board's duties under this section.

19 SECTION 2. Section [82.022](#), Government Code, is amended by
20 adding Subsection (d) to read as follows:

21 (d) The supreme court may adopt rules relating to the
22 nonrenewal of the license of a lawyer who is in default on a loan
23 administered by the Texas Higher Education Coordinating Board under
24 Chapter 52, Education Code.

25 SECTION 3. The Texas Higher Education Coordinating Board
26 shall adopt rules for the administration of Section 52.42,
27 Education Code, as added by this Act, as soon as practicable after

1 this Act takes effect. For that purpose, the coordinating board may
2 adopt the initial rules in the manner provided by law for emergency
3 rules.

4 SECTION 4. In consultation with the Texas Higher Education
5 Coordinating Board, each licensing agency subject to Section 52.42,
6 Education Code, as added by this Act, shall adopt any rules
7 necessary to carry out the licensing agency's duties under that
8 section as soon as practicable following the effective date of this
9 Act.

10 SECTION 5. This Act takes effect September 1, 2015.