

BILL ANALYSIS

C.S.H.B. 218
By: Krause
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the practice of removing a person's occupational or professional license due to a default on a student loan payment may only hinder the borrower from making payments. C.S.H.B. 218 seeks to alleviate this problem by allowing a defaulting borrower with such a license to continue practicing professionally.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 218 repeals Occupations Code provisions authorizing the Texas Board of Chiropractic Examiners, the State Board of Dental Examiners, the Texas State Board of Podiatric Medical Examiners, and the Texas State Board of Medical Examiners to deny a person's application for a license or license renewal, suspend the person's license, or take other disciplinary action against the person on receipt of information from a governmental entity that administers a student loan, student loan repayment, or scholarship program that the person has defaulted on a student loan or has breached a student loan repayment contract or scholarship contract by failing to perform the person's service obligation under the contract.

C.S.H.B. 218 repeals Education Code provisions requiring the Texas Guaranteed Student Loan Corporation to notify a state licensing agency of licensees who are in default on loans guaranteed by the corporation and prohibiting the renewal of the licenses of such licensees unless specified conditions are met.

C.S.H.B. 218 amends the Education Code to remove the requirement for each state agency and political subdivision to provide information to the corporation on request to assist the corporation in curing delinquent loans and collecting defaulted loans. The bill prohibits a state licensing agency from denying the issuance of a license to a person or the renewal of a person's license based solely on the default status of the person's student loan guaranteed by the corporation. The bill requires such an agency to cooperate with the corporation in providing information to a licensee concerning student financial aid, including information about loan default prevention. A licensing agency is not required to assist the corporation in curing or collecting delinquent or defaulted loans, including by providing licensee lists to the corporation.

C.S.H.B. 218 amends the Finance Code to remove from among the grounds on which the

savings and mortgage lending commissioner may deny a renewal application for a residential mortgage loan originator license that the person seeking the renewal of the license is in default on a student loan administered by the corporation. The bill excludes such default status as a fact disqualifying a person for such a license renewal on the basis that the fact would have been grounds for denial of the original license if known by the commissioner on the date the license was granted.

C.S.H.B. 218 amends the Government Code to remove the requirement that the director of the lottery division of the Texas Lottery Commission deny an application for a lottery sales agent license or that the lottery commission suspend or revoke such a license for an applicant or sales agent, as applicable, who has been finally determined to be in default on a loan made under the student loan program administered by the Texas Higher Education Coordinating Board or on a loan guaranteed by the corporation. The bill repeals provisions authorizing the Texas Supreme Court to adopt rules relating to the nonrenewal of the license of a lawyer who is in default on a loan guaranteed by the corporation and authorizing the supreme court to authorize and the Judicial Branch Certification Commission to adopt rules relating to the nonrenewal of the certification of a court reporter who is in default on such a loan.

C.S.H.B. 218 repeals the following provisions:

- Section 57.491, Education Code
- Section 82.022(c), Government Code
- Section 154.110(e), Government Code
- Chapter 56, Occupations Code

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 218 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes the removal of a requirement for each state agency and political subdivision to provide information to the corporation on request to assist the corporation in curing and collecting applicable loans.

The substitute includes provisions prohibiting the denial or nonrenewal of a professional or occupational license for student loan default and setting out the duties of a licensing agency in that regard.