

SUBJECT: Removing student loan default as grounds for certain disciplinary action

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 9 ayes — C. Turner, Button, Frullo, Howard, Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

2 absent — Stucky, E. Johnson

WITNESSES: For — Ashley Williams, Center for Public Policy Priorities; Fedora Galasso, Young Invincibles; (*Registered, but did not testify*: Traci Berry, Goodwill Central Texas; Will Francis, National Association of Social Workers-Texas Chapter; Carrie Simmons, Opportunity Solutions Project; Dwight Harris, Texas American Federation of Teachers; Mike Meroney, Texas Association of Manufacturers; Mia McCord, Texas Conservative Coalition; Shannon Noble, Texas Counseling Association; Kate Hendrix, Texas Hospital Association; Lori Henning, Texas Association of Goodwills; Ashley Harris, United Ways of Texas; Michael Openshaw)

Against — None

On — Ken Martin, Texas Higher Education Coordinating Board; John Fleming, Texas Mortgage Bankers Association

BACKGROUND: Some have suggested that the practice of removing a person's occupational or professional license due to a default on student loan payments may only hinder the borrower's ability to make payments.

DIGEST: CSHB 218 would prohibit certain licensing agencies from denying or refusing to renew a person's professional or occupational license solely on the grounds of the default status of that person's student loans guaranteed by the Texas Guaranteed Student Loan Corporation.

Agencies would be required to cooperate with the corporation in

providing information to a licensee regarding loan default prevention. Agencies and political subdivisions no longer would be required to provide the corporation with information to help with curing delinquent loans and collecting defaulted loans.

The bill would prohibit certain medical licensing agencies from taking disciplinary action against a person seeking a license or a renewal based on the default status of the person's student loan or breached repayment contract with a government entity.

CSHB 218 would remove the requirement that the director of the lottery division of the Texas Lottery Commission deny, suspend, or revoke a lottery sales agent license for an applicant or sales agent determined to be in default on a loan administered by the Texas Higher Education Coordinating Board or the corporation.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.