
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1578

Session of
1981

INTRODUCED BY FREIND, E. Z. TAYLOR, GALLAGHER, SHUPNIK,
D. R. WRIGHT, MILLER, COWELL, WILSON, CUNNINGHAM, CIVERA,
SPITZ, ALDEN, ARTY AND GANNON, JUNE 15, 1981

REFERRED TO COMMITTEE ON EDUCATION, JUNE 15, 1981

AN ACT

1 Amending the act of August 7, 1963 (P.L.549, No.290), entitled,
2 as amended, "An act creating the Pennsylvania Higher
3 Education Assistance Agency; defining its powers and duties;
4 conferring powers and imposing duties on the Governor,
5 President Pro Tempore of the Senate, Speaker of the House of
6 Representatives, Superintendent of Public Instruction and the
7 Department of Auditor General; and making appropriations,"
8 clarifying student loan repayment requirements of State
9 employees.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. Section 4.2, act of August 7, 1963 (P.L.549, No.
13 290), referred to as the Pennsylvania Higher Education Agency
14 Act, added November 26, 1978 (P.L.1291, No.308), is amended to
15 read:

16 Section 4.2. Loans to State Employees.--Any person who has
17 received a loan made or guaranteed pursuant to this act or from
18 funds which include State-appropriated funds provided to an
19 institution receiving State aid and who at anytime becomes or is
20 an employe of the Commonwealth or any of its agencies shall be
21 deemed to have agreed as a condition of their employment with

1 the Commonwealth to repay such loan. Any such employe who
2 [defaults] has defaulted or does default on the repayment of
3 such loan shall [make immediate arrangements with the employing
4 agency or loan guarantor to set up a revised loan repayment
5 schedule with the employe either making direct payments to the
6 lending institution, guarantor or its agent or making such
7 payments through payroll deductions. Such employe shall
8 thereupon be notified that if such employe thereafter defaults
9 on the revised loan repayment schedule,] within sixty days after
10 service of a notice of default by the agency to the employing
11 agency establish a loan repayment schedule which is agreed to by
12 the agency with the salary-status employe making such payments
13 through payroll deductions and employes other than salary status
14 making payment in accordance with a repayment plan approved by
15 the agency. If such employe fails to establish a repayment
16 schedule within the specified period of time or fails to meet
17 the terms and conditions of the agreed-to or approved repayment
18 schedule as authorized by this section such employe shall be
19 deemed to have breached an essential condition of employment and
20 shall be dismissed from Commonwealth service or the service of
21 any of its agencies.

22 Section 2. This act shall take effect immediately.