

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1621 Session of
1997

INTRODUCED BY STURLA, E. Z. TAYLOR, FLICK, BATTISTO, BROWNE,
ROBINSON, RUBLEY, McNAUGHTON, BELARDI, SCHRODER, SAYLOR,
MELIO, WALKO, TIGUE, HERMAN, NAILOR, SANTONI, READSHAW,
SHANER, EGOLF, BOSCOLA, ROONEY, BARD, GEIST, EACHUS, MILLER,
DeLUCA, RAMOS, SEMMEL, STEELMAN, DENT, SERAFINI, C. WILLIAMS,
CAPPABIANCA, HORSEY, BAKER, BENNINGHOFF, SAINATO, CORPORA,
GORDNER, GODSHALL, HALUSKA, ADOLPH, CLARK, FARGO, PLATTS,
FAIRCHILD, WAUGH, YOUNGBLOOD, GEORGE, COY, PETTIT AND ROSS,
JUNE 10, 1997

REFERRED TO COMMITTEE ON PROFESSIONAL LICENSURE, JUNE 10, 1997

AN ACT

1 Amending the act of April 9, 1929 (P.L.177, No.175), entitled
2 "An act providing for and reorganizing the conduct of the
3 executive and administrative work of the Commonwealth by the
4 Executive Department thereof and the administrative
5 departments, boards, commissions, and officers thereof,
6 including the boards of trustees of State Normal Schools, or
7 Teachers Colleges; abolishing, creating, reorganizing or
8 authorizing the reorganization of certain administrative
9 departments, boards, and commissions; defining the powers and
10 duties of the Governor and other executive and administrative
11 officers, and of the several administrative departments,
12 boards, commissions, and officers; fixing the salaries of the
13 Governor, Lieutenant Governor, and certain other executive
14 and administrative officers; providing for the appointment of
15 certain administrative officers, and of all deputies and
16 other assistants and employes in certain departments, boards,
17 and commissions; and prescribing the manner in which the
18 number and compensation of the deputies and all other
19 assistants and employes of certain departments, boards and
20 commissions shall be determined," providing for the
21 suspension or nonissuance of certain professional or
22 occupational licenses for nonpayment of student loans.

23 The General Assembly of the Commonwealth of Pennsylvania
24 hereby enacts as follows:

1 Section 1. The act of April 9, 1929 (P.L.177, No.175), known
2 as The Administrative Code of 1929, is amended by adding a
3 section to read:

4 Section 531. Revocation, Suspension or Nonissuance of
5 Professional Licenses.--(a) Every Commonwealth agency that
6 issues a license or certificate in a profession or occupation
7 shall insure that no authorization is issued or renewed to a
8 debtor who has defaulted on student loans and has not made
9 satisfactory repayment arrangements or payments are not being
10 garnished when the individual has the financial ability, as
11 determined by the Pennsylvania Higher Education Assistance
12 Agency (PHEAA), based on available financial information, to
13 comply with the repayment terms established by PHEAA. The
14 licensing authority shall notify PHEAA of the name, date of
15 birth, Social Security number, Federal identification number or
16 any other information required by PHEAA of all individuals who
17 are seeking to apply for or renew a professional license or
18 certificate. PHEAA shall give notice to the licensing authority,
19 within thirty (30) days of receipt of the information from the
20 licensing authority, of any license or certificate application
21 or renewal which shall not be issued. After PHEAA has paid a
22 default claim as a result of a guaranty agreement or a payment
23 has not been remitted for at least ninety (90) days on a non-
24 guaranteed PHEAA held loan, a license or certificate may be
25 revoked, suspended or not issued. PHEAA shall furnish notice and
26 an opportunity to respond, either as part of the summary of the
27 statement of claim or by a separate written notification to a
28 borrower that nonpayment on a defaulted student loan may result
29 in revocation, suspension or nonissuance of the borrower's
30 occupational or professional license or certificate. The

1 licensing authority shall issue or reinstate the license if
2 PHEAA provides written notice of approval to the licensing
3 authority.

4 (b) All actions of the licensing authority shall be taken
5 subject to the right of notice, hearing and adjudication and the
6 right of appeal therefrom in accordance with 2 Pa.C.S. (relating
7 to administrative law and procedure).

8 (c) The Pennsylvania Supreme Court may insure that no
9 authorization to practice law is issued or renewed to any debtor
10 who has defaulted on student loans and has not made satisfactory
11 repayment arrangements or payments are not being garnished when
12 the individual has the financial ability, as determined by
13 PHEAA, to comply with the repayment terms established by PHEAA.
14 The Supreme Court may provide by court rule that nonpayment on a
15 defaulted student loan may result in nonissuance, disbarment or
16 license suspension of the license of any person who has been
17 certified by PHEAA to be in default. After PHEAA has paid a
18 default claim as a result of a guaranty agreement or a payment
19 has not been remitted to PHEAA for at least ninety (90) days on
20 a nonguaranteed PHEAA-held loan, a license may be revoked,
21 suspended or not issued. PHEAA shall furnish notice and an
22 opportunity to respond, either as part of the summary of the
23 statement of claim or by a separate written notification to a
24 borrower that nonpayment on a defaulted student loan may result
25 in nonissuance, disbarment or license suspension. The Supreme
26 Court may reinstate the person when provided with a written
27 release issued by PHEAA stating that the person is making
28 payments on the loan in accordance with a repayment agreement
29 approved by PHEAA.

30 Section 2. This act shall take effect immediately.