
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 794

Session of
1987

INTRODUCED BY HESS, WILT, REIBMAN, RHOADES, LINCOLN, ROCKS,
HOPPER AND HANKINS, MAY 5, 1987

REFERRED TO EDUCATION, MAY 5, 1987

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 further providing for administrative loan collection process.

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

11 Section 1. Section 4.3(i) of the act of August 7, 1963
12 (P.L.549, No.290), referred to as the Pennsylvania Higher
13 Education Assistance Agency Act, added April 29, 1982 (P.L.365,
14 No.102), is amended to read:

15 Section 4.3. Administrative Loan Collection Process.--* * *

16 (i) After an order of default has been entered by the board
17 of directors or the court and the time for appeal has expired,
18 the agency may execute upon the wages, salaries or commissions
19 in the hands of an employer or any other person including the
20 debtor when self-employed in order to effect the repayment of

1 any sums due to the agency as determined by the provisions of
2 this act. An employer shall include any person, partnership,
3 association, corporation, institution, governmental body, unit
4 or agency, school district or municipality, or any other entity
5 employing one or more persons for a salary, wage, commission or
6 other compensation. Execution shall comply with the following:

7 (1) The agency shall initiate such action by sending to the
8 debtor's last known address notice of its intent and to the
9 employer a notice of execution upon wages and upon receipt of
10 such notice, the employer shall certify to the agency the amount
11 of wages, salary, commissions or other compensation earned by
12 the debtor. The employer shall pay to the agency such percentage
13 of that amount as the agency demands, not to exceed ten per cent
14 of the wages, salary, commissions or other compensation paid to
15 the debtor during a given pay period, on a timely basis, but not
16 less than once a month or over an extended period if agreed to
17 by the agency. If the agency has instituted a notice of
18 execution upon wages to recover money owed the agency, the
19 agency may assess a civil penalty, as determined by the board,
20 against an employer if the employer does any of the following:

21 (i) Fails to pay the agency the amount due within the
22 prescribed amount and limits of time.

23 (ii) Dismisses the responsible debtor from its employment
24 because of the filing of the notice of execution.

25 (iii) Takes disciplinary action against the responsible
26 debtor because of the filing of the notice of execution.

27 (2) The agency may execute upon assets or property of a
28 borrower by writ of execution or such other process as may be
29 necessary or proper to carry into effect the judgment entered
30 upon any order of the board. In the case of a writ of execution

1 upon wages to recover moneys owed the agency, failure of an
2 employer to pay to the agency the amount due within the
3 prescribed amount and limits of time shall place the employer in
4 contempt of the court issuing such writ of execution.

5 (3) Nothing [herein] in this subsection shall deny to any
6 debtor the rights afforded debtors under Federal and State
7 exemption laws.

8 * * *

9 Section 2. This act shall take effect in 60 days.