256.197 Duties.

The duties of the commission under this subpart shall be as follows:

1. To review the Iowa guaranteed loan program.

2. To review and make disposition of all applications for the guarantee of student loans.

3. Collect an insurance premium of not more than the amount authorized by the federal Higher Education Act of 1965. The premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.

4. To enter into all necessary agreements with the United States secretary of education as required for the purpose of receiving full benefit of the state program incentives offered pursuant to the Higher Education Act of 1965.

5. To adopt rules pursuant to chapter 17A to implement the provisions of this subpart, including establishing standards for educational institutions, lenders, and individuals to become eligible institutions, lenders, and borrowers. Notwithstanding any contrary provisions in chapter 537, the rules and standards established shall be consistent with the requirements provided in the Higher Education Act of 1965.

6. To reimburse eligible lenders for the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of written notice of the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.

7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the department of revenue to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a loan made under this subpart. The commission shall adopt rules under chapter 17A necessary to assist the department of revenue in the implementation of the student loan setoff program as established under section 421.65. The commission shall apply administrative wage garnishment procedures authorized under the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. §1071 et seq., for all delinquent loans, including loans authorized under section 256.198, when a defaulter who is financially capable of paying fails to voluntarily enter into a reasonable payment agreement. In no case shall the commission garnish more than the amount authorized by federal law for all loans being collected by the commission, including those authorized under section 256.198.

8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rates of borrowers, enrollment, and placement statistics by postsecondary institution.

9. To develop all forms necessary to the proper administration of the guaranteed student loan program and provide supplies of such forms to participating lenders and postsecondary institutions.

10. To implement all possible assistance to eligible lenders for the purpose of easing the workload entailed in participation in the guaranteed student loan program.

[C79, 81, §261.37; 81 Acts, ch 8, §14; 82 Acts, ch 1057, §1]

83 Acts, ch 101, §62; 87 Acts, ch 233, §459; 88 Acts, ch 1284, §29; 89 Acts, ch 300, §6; 90 Acts, ch 1168, §37; 96 Acts, ch 1158, §1; 2003 Acts, ch 145, §228; 2004 Acts, ch 1145, §3; 2014 Acts, ch 1061, §4; 2017 Acts, ch 54, §76; 2020 Acts, ch 1064, §12, 28; 2020 Acts, ch 1118, §73, 74; 2023 Acts, ch 19, §2625, 2626, 2641

C2024, §256.197

2024 Acts, ch 1057, §5