

CHAPTER 37  
DEBT COLLECTION

Chapter rescission date pursuant to Iowa Code section 17A.7: 11/5/30

**283—37.1(256) Definitions.**

*“Debtor”* means a person who has defaulted on any obligation owed to or collected by the commission.

*“Default”* means that a debtor:

1. Becomes obligated to repay the commission under any loan repayment program administered by the commission and fails to make an agreed payment within 30 days of the agreed due date;
2. Becomes obligated to repay the commission under any forgivable loan program administered by the commission and fails to make an agreed payment within 30 days of the agreed due date; or
3. Enters into a written repayment agreement with the commission and fails to make an agreed payment within 30 days of the due date stated in the repayment agreement.

*“Defaulted obligation owed”* means the total amount of the debtor’s obligation, including principal and unpaid accrued interest, and may include collection costs and other allowable fees.

[ARC 9588C, IAB 10/1/25, effective 11/5/25]

**283—37.2(256) Administrative wage garnishment procedures.** The commission shall use the general administrative wage garnishment procedures established in 34 CFR Part 34 et seq., as of July 1, 2024, in the collection of all defaulted obligations owed to the commission. Administrative hearings will be governed by 283—Chapter 4.

[ARC 9588C, IAB 10/1/25, effective 11/5/25]

**283—37.3(261) Offset against state income tax refund or rebate.** The commission may make a claim against a defaulted borrower’s state income tax refund or rebate to receive a payment against defaulted obligation owed pursuant to 701—Chapter 26.

[ARC 9588C, IAB 10/1/25, effective 11/5/25]

These rules are intended to implement Iowa Code section 256.197.

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