

**House File 660 - Introduced**

HOUSE FILE 660  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HF 437)

(COMPANION TO SF 304 BY  
COMMITTEE ON LABOR AND  
BUSINESS RELATIONS)

**A BILL FOR**

1 An Act relating to licensing sanctions against individuals  
2 who default or are delinquent on student loan debt or on a  
3 related service obligation.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 272.2, Code 2019, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 21. Adopt rules under chapter 17A to  
4 prohibit the suspension or revocation of a license issued  
5 by the board to a person who is in default or is delinquent  
6 on repayment or a service obligation under federal or  
7 state postsecondary educational loans or public or private  
8 services-conditional postsecondary tuition assistance solely on  
9 the basis of such default or delinquency.

10 Sec. 2. Section 272C.4, subsection 10, Code 2019, is amended  
11 by striking the subsection and inserting in lieu thereof the  
12 following:

13 10. Adopt rules under chapter 17A to prohibit the suspension  
14 or revocation of a license issued by the board to a person  
15 who is in default or is delinquent on repayment or a service  
16 obligation under federal or state postsecondary educational  
17 loans or public or private services-conditional postsecondary  
18 tuition assistance solely on the basis of such default or  
19 delinquency.

20 Sec. 3. REPEAL. Sections 261.121, 261.122, 261.123,  
21 261.124, 261.125, 261.126, and 261.127, Code 2019, are  
22 repealed.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with  
25 the explanation's substance by the members of the general assembly.

26 This bill requires the state's licensing boards to adopt  
27 administrative rules to prohibit the suspension or revocation  
28 of a license issued to a person who is in default or is  
29 delinquent on repayment or a service obligation under federal  
30 or state postsecondary educational loans or public or private  
31 services-conditional postsecondary tuition assistance solely on  
32 the basis of such default or delinquency.

33 The bill eliminates Code provisions that authorize and  
34 establish a process by which the college student aid commission  
35 can initiate action to deny, revoke, or suspend any license

1 authorized by the laws of this state to any person who  
2 has defaulted on an obligation owed to or collected by the  
3 commission.

4 The provisions repealed by the bill establish procedures for  
5 issuing notice to an individual in default, for the scheduling  
6 of a conference between the individual and the commission, for  
7 entering into a written agreement for payment of the obligation  
8 which takes into consideration the individual's ability to pay,  
9 for the individual to request a hearing, and for the issuance  
10 of a certificate for noncompliance to any appropriate licensing  
11 authority.

12 Provisions repealed by the bill require each licensing  
13 authority to include in its rules, as grounds for suspension,  
14 revocation, or denial of issuance or renewal of a license, the  
15 receipt of a certificate of noncompliance from the commission;  
16 require a licensing authority to initiate procedures for  
17 suspension, revocation, or denial of issuance or renewal  
18 of licensure to the individual; direct the supreme court  
19 to prescribe rules providing for the denial, suspension,  
20 or revocation of the admission to practice as an attorney  
21 and counselor for failure to repay an obligation owed to or  
22 collected by the commission; and permit the individual to seek  
23 a review of the commission's decision and request a hearing  
24 before the district court.