

**COLLECTION OF DEFAULTED STUDENT LOANS**

1998 GENERAL SESSION

STATE OF UTAH

**Sponsor: Orville D. Carnahan**

AN ACT RELATING TO HIGHER EDUCATION; ALLOWING THE UTAH HIGHER EDUCATION ASSISTANCE AUTHORITY TO RECEIVE EMPLOYMENT INFORMATION FROM THE UTAH DIVISION OF WORKFORCE INFORMATION AND PAYMENT SERVICES FOR THE PURPOSE OF COLLECTING DEFAULTED STUDENT LOANS.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**53B-12-101**, as last amended by Chapter 22, Laws of Utah 1989

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **53B-12-101** is amended to read:

**53B-12-101. Utah Higher Education Assistance Authority designated -- Powers and duties.**

The board is the Utah Higher Education Assistance Authority and, in this capacity, may do the following:

(1) guarantee 100% of the principal of and interest on a loan to or for the benefit of a person attending or accepted to attend an eligible postsecondary educational institution to assist that person in meeting any educational expenses incurred in an academic year;

(2) take, hold, and administer real or personal property and moneys, including interest and income, either absolutely or in trust, for any purpose under this chapter;

(3) acquire property for the purposes indicated in Subsection (2) by purchase or lease and by the acceptance of gifts, grants, bequests, devises, or loans;

(4) enter into or contract with an eligible lending institution, or with a public or private postsecondary educational institution to provide for the administration by the institution of any loan or loan guarantee made by it, including application and repayment provisions;

(5) participate in federal programs guaranteeing, reinsuring, or otherwise supporting loans

to eligible borrowers for postsecondary educational purposes and agree to, and comply with, the conditions and regulations applicable to those programs;

(6) adopt, amend, or repeal rules, in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to govern the activities authorized by this chapter;

(7) receive state appropriations for the fund established under Section 53B-12-104 to match deposits and to accept contributions received by it for this purpose;

(8) receive funds from the federal government to assist in implementing federally supported programs administered under this chapter; [and]

(9) engage, appoint, or contract for the services of officers, agents, employees, and private consultants to render and perform professional and technical duties and provide assistance and advice in carrying out the purposes of this chapter, to describe their duties, and to fix the amount and source of their compensation~~[.];~~ and

(10) receive employment information from the Division of Workforce Information and Payment Services in accordance with Section 35A-4-312 for the purpose of collecting defaulted student loans made under this chapter. The information obtained under Subsection (10) shall be limited to the employer's name, address, and telephone number for borrowers who have defaulted on a student loan held by the Utah Higher Education Assistance Authority.