

CHAPTER.....

AN ACT relating to education; revising provisions relating to student loans administered by the Western Interstate Commission for Higher Education for students enrolled in certain educational programs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law directs the Governor to enter into a compact on behalf of this State to form the Western Interstate Commission for Higher Education, which coordinates the educational needs of the 13 western states for the purpose of providing higher education. (Chapter 397 of NRS) The Commission is authorized to provide loans to students enrolled in certain programs and current law provides for the terms of repayment of those loans. (NRS 397.064) **Section 1** of this bill revises the interest rate and delinquency charge that may be charged to students who receive certain loans from the Commission.

WHEREAS, The members of the 74th Session of the Nevada Legislature hereby recognize the need to ensure that an adequate, well-trained workforce is available to meet the immediate and future needs of the residents and employers of this State; and

WHEREAS, An evaluation of the immediate and projected workforce needs of this State would provide valuable information pertaining to the existing shortages and anticipated shortages in the workforce of this State; and

WHEREAS, The members of the 74th Session of the Nevada Legislature hereby urge the Board of Regents of the University of Nevada to use the projections and data that are available from the Department of Employment, Training and Rehabilitation and other agencies and organizations in identifying which educational programs offered by the Nevada System of Higher Education would strengthen Nevada's economy and the general welfare of its residents; and

WHEREAS, The Nevada System of Higher Education is in a unique position to offer those educational programs to students enrolled in the System and to thereby assist in alleviating the existing shortages and anticipated shortages in the workforce needs; and

WHEREAS, The Western Interstate Commission for Higher Education is a regional organization created by the Western Regional Education Compact to facilitate resource sharing among the higher education systems of the western states; and



WHEREAS, The Western Interstate Commission for Higher Education has developed the Health Care Access Program of Nevada to address the growing number of medically underserved citizens in rural areas of this State through an alternative loan forgiveness program; and

WHEREAS, Through the Health Care Access Program of Nevada, the Western Interstate Commission for Higher Education has the ability to financially assist the residents of Nevada who are enrolled in programs of study in health related fields, including nursing, pharmacy, physical therapy and physician assistance; and

WHEREAS, The Health Care Access Program has successfully placed 110 graduates of postsecondary education in clinics across this State in an effort to meet the medical needs of residents who live in medically underserved areas; and

WHEREAS, The members of the 74th Session of the Nevada Legislature hereby encourage the Board of Regents of the University of Nevada and the Western Interstate Commission for Higher Education to collaborate in evaluating the workforce needs of this State and offering educational programs and incentives to meet those needs; and

WHEREAS, The Board of Regents plays a vital role in ensuring that an adequate, well-trained workforce is available to meet the growing demands of the residents and employers of this State; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 397.064 is hereby amended to read as follows:
397.064 Loans, from the Western Interstate Commission for Higher Education's Fund for Student Loans, to students who enter the program on or after July 1, 1985, must be made upon the following terms:

1. All loans must bear *a competitive* interest ~~{at 8 percent per annum}~~ *rate, which must be established by the three Nevada State Commissioners, acting jointly, from the first day of the academic term for which the student received the loan. The three Nevada State Commissioners, acting jointly, may delegate to the Director of the Western Interstate Commission for Higher Education the authority to establish the interest rate pursuant to this section.*

2. Except as otherwise provided in NRS 397.0617, each student receiving a loan must repay the loan with interest following the termination of his education or completion of his internship for which the loan is made.



3. The loan must be repaid in monthly installments over the period allowed, as set forth in subsection 4, with the first installment due 1 year after the date of the termination of his education or the completion of his internship for which the loan is made. The amounts of the installments may not be less than \$50 and may be calculated to allow a smaller payment at the beginning of the repayment period, with each succeeding payment gradually increasing so that the total amount due will have been paid within the period allowed for repayment.

4. The three Nevada State Commissioners, acting jointly, shall, or shall delegate to the Director of the Western Interstate Commission for Higher Education the power to, schedule the repayment within the following periods:

(a) Five years for loans which total less than \$10,000.

(b) Eight years for loans which total \$10,000 or more but less than \$20,000.

(c) Ten years for loans which total \$20,000 or more.

5. A student loan may not exceed 50 percent of the student fees for any academic year.

6. A delinquency charge may be assessed on any installment delinquent 10 days or more in ~~the~~ *an* amount ~~{of 8 percent of the installment or \$4, whichever is greater, but not more than \$15.}~~ *that must be established by the three Nevada State Commissioners, acting jointly. The Nevada State Commissioners, acting jointly, may delegate to the Director of the Western Interstate Commission for Higher Education the authority to establish an appropriate delinquency charge pursuant to this subsection.*

7. The reasonable costs of collection and an attorney's fee may be recovered in the event of delinquency.

Sec. 2. This act becomes effective on July 1, 2007.

