

SENATE BILL NO. 357—SENATOR WIENER

MARCH 19, 2007

Referred to Committee on Human Resources and Education

SUMMARY—Revises provisions relating to student loans administered by the Western Interstate Commission for Higher Education for students enrolled in certain educational programs. (BDR 34-72)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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:

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

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

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



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

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

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

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

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

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

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

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



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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*



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- 1 *for Higher Education the authority to establish an appropriate*
- 2 *delinquency charge pursuant to this subsection.*
- 3 7. The reasonable costs of collection and an attorney's fee may
- 4 be recovered in the event of delinquency.
- 5 **Sec. 2.** This act becomes effective on July 1, 2007.

