

HB 837

2015

1 A bill to be entitled
2 An act relating to student loan default rates;
3 amending s. 1005.04, F.S.; requiring certain
4 institutions to maintain a federal student loan cohort
5 default rate below a specified percentage; providing
6 that an institution is ineligible to receive certain
7 grant payments until the institution's federal student
8 loan cohort default rate falls below a specified
9 percentage; providing that an institution shall have
10 its licensure suspended until the institution's
11 federal student loan cohort default rate falls below a
12 specified percentage; defining such an institution's
13 period of ineligibility and suspension of licensure;
14 providing an effective date.

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16 Be It Enacted by the Legislature of the State of Florida:

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18 Section 1. Paragraphs (d) through (h) of subsection (1) of
19 section 1005.04, Florida Statutes, are redesignated as
20 paragraphs (e) through (i), respectively, and a new paragraph
21 (d) is added to that subsection to read:

22 1005.04 Fair consumer practices; federal student loan
23 default rates.—

24 (1) Every institution that is under the jurisdiction of
25 the commission or is exempt from the jurisdiction or purview of
26 the commission pursuant to s. 1005.06(1)(c) or (f) and that

27 either directly or indirectly solicits for enrollment any
28 student shall:

29 (d) Maintain a federal student loan cohort default rate,
30 released during the fall of each academic year, below 30 percent
31 for 3 consecutive years or at or below 40 percent for any given
32 year. An institution eligible for a William L. Boyd, IV, Florida
33 resident access grant under s. 1009.89 and an institution
34 eligible for an Access to Better Learning and Education grant
35 under s. 1009.891, whose federal student loan cohort default
36 rate exceeds the specified threshold, is ineligible to receive
37 payments from such grants for incoming students until the
38 institution's federal student loan cohort default rate falls
39 below the threshold. An institution under the jurisdiction of
40 the commission whose federal student loan cohort default rate
41 exceeds the limits of this paragraph shall have its licensure
42 from the commission suspended until its federal student loan
43 cohort default rate falls below the threshold. An institution is
44 ineligible to receive grant payments and its licensure shall be
45 suspended beginning in the academic year following the fall
46 disclosure of the federal student loan cohort default rate, and
47 the institution remains ineligible for a minimum of 1 academic
48 year until the institution's federal student loan cohort default
49 rate falls below the threshold;

50 Section 2. This act shall take effect July 1, 2015.