

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2371

Chapter 293, Laws of 1996

54th Legislature
1996 Regular Session

STUDENT LOANS--SUSPENSION OF LICENSES FOR FAILURE TO REPAY

EFFECTIVE DATE: 6/6/96

Passed by the House March 2, 1996
Yeas 89 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate February 29, 1996
Yeas 47 Nays 0

JOEL PRITCHARD
President of the Senate

Approved March 30, 1996

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2371** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

March 30, 1996 - 4:27 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2371

AS AMENDED BY THE SENATE

Passed Legislature - 1996 Regular Session

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Higher Education (originally sponsored by Representatives Blanton, Elliot, Mastin, Goldsmith, Pelesky, Carlson, Cairnes, Hymes, Hankins, Benton, Tokuda, Mason, Scott, McMahan, Quall, Dickerson, Mitchell, Jacobsen, D. Schmidt, Cooke, Hargrove, Conway, Sheldon, Costa, McMorris, Mulliken and Silver)

Read first time 02/02/96.

1 AN ACT Relating to repayment of student loans; adding a new section
2 to chapter 2.48 RCW; adding a new section to chapter 18.04 RCW; adding
3 a new section to chapter 18.08 RCW; adding a new section to chapter
4 18.11 RCW; adding a new section to chapter 18.16 RCW; adding a new
5 section to chapter 18.20 RCW; adding a new section to chapter 18.27
6 RCW; adding a new section to chapter 18.28 RCW; adding a new section to
7 chapter 18.39 RCW; adding a new section to chapter 18.43 RCW; adding a
8 new section to chapter 18.44 RCW; adding a new section to chapter 18.46
9 RCW; adding a new section to chapter 18.76 RCW; adding a new section to
10 chapter 18.85 RCW; adding a new section to chapter 18.96 RCW; adding a
11 new section to chapter 18.104 RCW; adding a new section to chapter
12 18.106 RCW; adding a new section to chapter 18.130 RCW; adding a new
13 section to chapter 18.140 RCW; adding a new section to chapter 18.145
14 RCW; adding a new section to chapter 18.160 RCW; adding a new section
15 to chapter 18.165 RCW; adding a new section to chapter 18.170 RCW;
16 adding a new section to chapter 18.175 RCW; adding a new section to
17 chapter 18.180 RCW; adding a new section to chapter 18.185 RCW; adding
18 a new section to chapter 28A.410 RCW; and prescribing penalties.

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

1 NEW SECTION. **Sec. 1.** A new section is added to chapter 2.48 RCW
2 to read as follows:

3 The Washington state supreme court may provide by court rule that
4 nonpayment or default on a federally or state-guaranteed educational
5 loan shall result in disbarment or license suspension of the license of
6 any person who has been certified by a lending agency and reported to
7 the court for nonpayment or default on a federally or state-guaranteed
8 educational loan or service-conditional scholarship. The supreme court
9 may reinstate the person when provided with a written release issued by
10 the lending agency stating that the person is making payments on the
11 loan in accordance with a repayment agreement approved by the lending
12 agency.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.04 RCW
14 to read as follows:

15 The board shall suspend the license or certificate of any person
16 who has been certified by a lending agency and reported to the board
17 for nonpayment or default on a federally or state-guaranteed
18 educational loan or service-conditional scholarship. Prior to the
19 suspension, the agency must provide the person an opportunity for a
20 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
21 issue a finding of nonpayment or default on a federally or state-
22 guaranteed educational loan or service-conditional scholarship. The
23 person's license or certificate shall not be reissued until the person
24 provides the board a written release issued by the lending agency
25 stating that the person is making payments on the loan in accordance
26 with a repayment agreement approved by the lending agency. If the
27 person has continued to meet all other requirements for licensure or
28 certification during the suspension, reinstatement shall be automatic
29 upon receipt of the notice and payment of any reinstatement fee the
30 board may impose.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 18.08 RCW
32 to read as follows:

33 The board shall suspend the certificate or registration of any
34 person who has been certified by a lending agency and reported to the
35 board for nonpayment or default on a federally or state-guaranteed
36 educational loan or service-conditional scholarship. Prior to the
37 suspension, the agency must provide the person an opportunity for a

1 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
2 issue a finding of nonpayment or default on a federally or state-
3 guaranteed educational loan or service-conditional scholarship. The
4 person's certificate or registration shall not be reissued until the
5 person provides the board a written release issued by the lending
6 agency stating that the person is making payments on the loan in
7 accordance with a repayment agreement approved by the lending agency.
8 If the person has continued to meet all other requirements for
9 certification or registration during the suspension, reinstatement
10 shall be automatic upon receipt of the notice and payment of any
11 reinstatement fee the board may impose.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 18.11 RCW
13 to read as follows:

14 The director shall suspend the license, certificate, or
15 registration of any person who has been certified by a lending agency
16 and reported to the director for nonpayment or default on a federally
17 or state-guaranteed educational loan or service-conditional
18 scholarship. Prior to the suspension, the agency must provide the
19 person an opportunity for a brief adjudicative proceeding under RCW
20 34.05.485 through 34.05.494 and issue a finding of nonpayment or
21 default on a federally or state-guaranteed educational loan or
22 service-conditional scholarship. The person's license, certificate, or
23 registration shall not be reissued until the person provides the
24 director a written release issued by the lending agency stating that
25 the person is making payments on the loan in accordance with a
26 repayment agreement approved by the lending agency. If the person has
27 continued to meet all other requirements for licensure, certification,
28 or registration during the suspension, reinstatement shall be automatic
29 upon receipt of the notice and payment of any reinstatement fee the
30 director may impose.

31 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.16 RCW
32 to read as follows:

33 The director shall suspend the license of any person who has been
34 certified by a lending agency and reported to the director for
35 nonpayment or default on a federally or state-guaranteed educational
36 loan or service-conditional scholarship. Prior to the suspension, the
37 agency must provide the person an opportunity for a brief adjudicative

1 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
2 nonpayment or default on a federally or state-guaranteed educational
3 loan or service-conditional scholarship. The person's license shall
4 not be reissued until the person provides the director a written
5 release issued by the lending agency stating that the person is making
6 payments on the loan in accordance with a repayment agreement approved
7 by the lending agency. If the person has continued to meet all other
8 requirements for licensure during the suspension, reinstatement shall
9 be automatic upon receipt of the notice and payment of any
10 reinstatement fee the director may impose.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 18.20 RCW
12 to read as follows:

13 The secretary shall suspend the license of any person who has been
14 certified by a lending agency and reported to the secretary for
15 nonpayment or default on a federally or state-guaranteed educational
16 loan or service-conditional scholarship. Prior to the suspension, the
17 agency must provide the person an opportunity for a brief adjudicative
18 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
19 nonpayment or default on a federally or state-guaranteed educational
20 loan or service-conditional scholarship. The person's license shall
21 not be reissued until the person provides the secretary a written
22 release issued by the lending agency stating that the person is making
23 payments on the loan in accordance with a repayment agreement approved
24 by the lending agency. If the person has continued to meet all other
25 requirements for licensure during the suspension, reinstatement shall
26 be automatic upon receipt of the notice and payment of any
27 reinstatement fee the secretary may impose.

28 NEW SECTION. **Sec. 7.** A new section is added to chapter 18.27 RCW
29 to read as follows:

30 The director shall suspend the certificate of registration of any
31 person who has been certified by a lending agency and reported to the
32 director for nonpayment or default on a federally or state-guaranteed
33 educational loan or service-conditional scholarship. Prior to the
34 suspension, the agency must provide the person an opportunity for a
35 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
36 issue a finding of nonpayment or default on a federally or state-
37 guaranteed educational loan or service-conditional scholarship. The

1 person's certificate of registration shall not be reissued until the
2 person provides the director a written release issued by the lending
3 agency stating that the person is making payments on the loan in
4 accordance with a repayment agreement approved by the lending agency.
5 If the person has continued to meet all other requirements for
6 certification of registration during the suspension, reinstatement
7 shall be automatic upon receipt of the notice and payment of any
8 reinstatement fee the director may impose.

9 NEW SECTION. **Sec. 8.** A new section is added to chapter 18.28 RCW
10 to read as follows:

11 The director shall suspend the license of any person who has been
12 certified by a lending agency and reported to the director for
13 nonpayment or default on a federally or state-guaranteed educational
14 loan or service-conditional scholarship. Prior to the suspension, the
15 agency must provide the person an opportunity for a brief adjudicative
16 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
17 nonpayment or default on a federally or state-guaranteed educational
18 loan or service-conditional scholarship. The person's license shall
19 not be reissued until the person provides the director a written
20 release issued by the lending agency stating that the person is making
21 payments on the loan in accordance with a repayment agreement approved
22 by the lending agency. If the person has continued to meet all other
23 requirements for licensure during the suspension, reinstatement shall
24 be automatic upon receipt of the notice and payment of any
25 reinstatement fee the director may impose.

26 NEW SECTION. **Sec. 9.** A new section is added to chapter 18.39 RCW
27 to read as follows:

28 The director shall suspend the license of any person who has been
29 certified by a lending agency and reported to the director for
30 nonpayment or default on a federally or state-guaranteed educational
31 loan or service-conditional scholarship. Prior to the suspension, the
32 agency must provide the person an opportunity for a brief adjudicative
33 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
34 nonpayment or default on a federally or state-guaranteed educational
35 loan or service-conditional scholarship. The person's license shall
36 not be reissued until the person provides the director a written
37 release issued by the lending agency stating that the person is making

1 payments on the loan in accordance with a repayment agreement approved
2 by the lending agency. If the person has continued to meet all other
3 requirements for licensure during the suspension, reinstatement shall
4 be automatic upon receipt of the notice and payment of any
5 reinstatement fee the director may impose.

6 NEW SECTION. **Sec. 10.** A new section is added to chapter 18.43 RCW
7 to read as follows:

8 The board shall suspend the certificate of registration or license
9 of any person who has been certified by a lending agency and reported
10 to the board for nonpayment or default on a federally or state-
11 guaranteed educational loan or service-conditional scholarship. Prior
12 to the suspension, the agency must provide the person an opportunity
13 for a brief adjudicative proceeding under RCW 34.05.485 through
14 34.05.494 and issue a finding of nonpayment or default on a federally
15 or state-guaranteed educational loan or service-conditional
16 scholarship. The person's certificate of registration or license shall
17 not be reissued until the person provides the board a written release
18 issued by the lending agency stating that the person is making payments
19 on the loan in accordance with a repayment agreement approved by the
20 lending agency. If the person has continued to meet all other
21 requirements for registration or licensure during the suspension,
22 reinstatement shall be automatic upon receipt of the notice and payment
23 of any reinstatement fee the board may impose.

24 NEW SECTION. **Sec. 11.** A new section is added to chapter 18.44 RCW
25 to read as follows:

26 The director shall suspend the certificate of registration of any
27 person who has been certified by a lending agency and reported to the
28 director for nonpayment or default on a federally or state-guaranteed
29 educational loan or service-conditional scholarship. Prior to the
30 suspension, the agency must provide the person an opportunity for a
31 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
32 issue a finding of nonpayment or default on a federally or state-
33 guaranteed educational loan or service-conditional scholarship. The
34 person's certificate of registration shall not be reissued until the
35 person provides the director a written release issued by the lending
36 agency stating that the person is making payments on the loan in
37 accordance with a repayment agreement approved by the lending agency.

1 If the person has continued to meet all other requirements for
2 registration during the suspension, reinstatement shall be automatic
3 upon receipt of the notice and payment of any reinstatement fee the
4 director may impose.

5 NEW SECTION. **Sec. 12.** A new section is added to chapter 18.46 RCW
6 to read as follows:

7 The department shall suspend the license of any person who has been
8 certified by a lending agency and reported to the department for
9 nonpayment or default on a federally or state-guaranteed educational
10 loan or service-conditional scholarship. Prior to the suspension, the
11 agency must provide the person an opportunity for a brief adjudicative
12 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
13 nonpayment or default on a federally or state-guaranteed educational
14 loan or service-conditional scholarship. The person's license shall
15 not be reissued until the person provides the department a written
16 release issued by the lending agency stating that the person is making
17 payments on the loan in accordance with a repayment agreement approved
18 by the lending agency. If the person has continued to meet all other
19 requirements for licensure during the suspension, reinstatement shall
20 be automatic upon receipt of the notice and payment of any
21 reinstatement fee the department may impose.

22 NEW SECTION. **Sec. 13.** A new section is added to chapter 18.76 RCW
23 to read as follows:

24 The secretary shall suspend the certificate of any person who has
25 been certified by a lending agency and reported to the secretary for
26 nonpayment or default on a federally or state-guaranteed educational
27 loan or service-conditional scholarship. Prior to the suspension, the
28 agency must provide the person an opportunity for a brief adjudicative
29 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
30 nonpayment or default on a federally or state-guaranteed educational
31 loan or service-conditional scholarship. The person's certificate
32 shall not be reissued until the person provides the secretary a written
33 release issued by the lending agency stating that the person is making
34 payments on the loan in accordance with a repayment agreement approved
35 by the lending agency. If the person has continued to meet all other
36 requirements for certification during the suspension, reinstatement

1 shall be automatic upon receipt of the notice and payment of any
2 reinstatement fee the secretary may impose.

3 NEW SECTION. **Sec. 14.** A new section is added to chapter 18.85 RCW
4 to read as follows:

5 The director shall suspend the license of any person who has been
6 certified by a lending agency and reported to the director for
7 nonpayment or default on a federally or state-guaranteed educational
8 loan or service-conditional scholarship. Prior to the suspension, the
9 agency must provide the person an opportunity for a brief adjudicative
10 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
11 nonpayment or default on a federally or state-guaranteed educational
12 loan or service-conditional scholarship. The person's license shall
13 not be reissued until the person provides the director a written
14 release issued by the lending agency stating that the person is making
15 payments on the loan in accordance with a repayment agreement approved
16 by the lending agency. If the person has continued to meet all other
17 requirements for licensure during the suspension, reinstatement shall
18 be automatic upon receipt of the notice and payment of any
19 reinstatement fee the director may impose.

20 NEW SECTION. **Sec. 15.** A new section is added to chapter 18.96 RCW
21 to read as follows:

22 The director shall suspend the certificate of registration of any
23 person who has been certified by a lending agency and reported to the
24 director for nonpayment or default on a federally or state-guaranteed
25 educational loan or service-conditional scholarship. Prior to the
26 suspension, the agency must provide the person an opportunity for a
27 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
28 issue a finding of nonpayment or default on a federally or state-
29 guaranteed educational loan or service-conditional scholarship. The
30 person's certificate of registration shall not be reissued until the
31 person provides the director a written release issued by the lending
32 agency stating that the person is making payments on the loan in
33 accordance with a repayment agreement approved by the lending agency.
34 If the person has continued to meet all other requirements for
35 certification during the suspension, reinstatement shall be automatic
36 upon receipt of the notice and payment of any reinstatement fee the
37 director may impose.

1 NEW SECTION. **Sec. 16.** A new section is added to chapter 18.104
2 RCW to read as follows:

3 The director shall suspend the license of any person who has been
4 certified by a lending agency and reported to the director for
5 nonpayment or default on a federally or state-guaranteed educational
6 loan or service-conditional scholarship. Prior to the suspension, the
7 agency must provide the person an opportunity for a brief adjudicative
8 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
9 nonpayment or default on a federally or state-guaranteed educational
10 loan or service-conditional scholarship. The person's license shall
11 not be reissued until the person provides the director a written
12 release issued by the lending agency stating that the person is making
13 payments on the loan in accordance with a repayment agreement approved
14 by the lending agency. If the person has continued to meet all other
15 requirements for licensure during the suspension, reinstatement shall
16 be automatic upon receipt of the notice and payment of any
17 reinstatement fee the director may impose.

18 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.106
19 RCW to read as follows:

20 The director shall suspend the certificate or permit of any person
21 who has been certified by a lending agency and reported to the director
22 for nonpayment or default on a federally or state-guaranteed
23 educational loan or service-conditional scholarship. Prior to the
24 suspension, the agency must provide the person an opportunity for a
25 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
26 issue a finding of nonpayment or default on a federally or state-
27 guaranteed educational loan or service-conditional scholarship. The
28 person's certificate or permit shall not be reissued until the person
29 provides the director a written release issued by the lending agency
30 stating that the person is making payments on the loan in accordance
31 with a repayment agreement approved by the lending agency. If the
32 person has continued to meet all other requirements for certification
33 or permits during the suspension, reinstatement shall be automatic upon
34 receipt of the notice and payment of any reinstatement fee the director
35 may impose.

36 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.130
37 RCW to read as follows:

1 The department shall suspend the license of any person who has been
2 certified by a lending agency and reported to the department for
3 nonpayment or default on a federally or state-guaranteed educational
4 loan or service-conditional scholarship. Prior to the suspension, the
5 agency must provide the person an opportunity for a brief adjudicative
6 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
7 nonpayment or default on a federally or state-guaranteed educational
8 loan or service-conditional scholarship. The person's license shall
9 not be reissued until the person provides the department a written
10 release issued by the lending agency stating that the person is making
11 payments on the loan in accordance with a repayment agreement approved
12 by the lending agency. If the person has continued to meet all other
13 requirements for licensure during the suspension, reinstatement shall
14 be automatic upon receipt of the notice and payment of any
15 reinstatement fee the department may impose.

16 NEW SECTION. **Sec. 19.** A new section is added to chapter 18.140
17 RCW to read as follows:

18 The director shall suspend the certificate or license of any person
19 who has been certified by a lending agency and reported to the director
20 for nonpayment or default on a federally or state-guaranteed
21 educational loan or service-conditional scholarship. Prior to the
22 suspension, the agency must provide the person an opportunity for a
23 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
24 issue a finding of nonpayment or default on a federally or state-
25 guaranteed educational loan or service-conditional scholarship. The
26 person's certificate or license shall not be reissued until the person
27 provides the director a written release issued by the lending agency
28 stating that the person is making payments on the loan in accordance
29 with a repayment agreement approved by the lending agency. If the
30 person has continued to meet all other requirements for certification
31 or licensure during the suspension, reinstatement shall be automatic
32 upon receipt of the notice and payment of any reinstatement fee the
33 director may impose.

34 NEW SECTION. **Sec. 20.** A new section is added to chapter 18.145
35 RCW to read as follows:

36 The director shall suspend the certificate of any person who has
37 been certified by a lending agency and reported to the director for

1 nonpayment or default on a federally or state-guaranteed educational
2 loan or service-conditional scholarship. Prior to the suspension, the
3 agency must provide the person an opportunity for a brief adjudicative
4 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
5 nonpayment or default on a federally or state-guaranteed educational
6 loan or service-conditional scholarship. The person's certificate
7 shall not be reissued until the person provides the director a written
8 release issued by the lending agency stating that the person is making
9 payments on the loan in accordance with a repayment agreement approved
10 by the lending agency. If the person has continued to meet all other
11 requirements for certification during the suspension, reinstatement
12 shall be automatic upon receipt of the notice and payment of any
13 reinstatement fee the director may impose.

14 NEW SECTION. **Sec. 21.** A new section is added to chapter 18.160
15 RCW to read as follows:

16 The state director of fire protection shall suspend the certificate
17 of any person who has been certified by a lending agency and reported
18 to the state director of fire protection for nonpayment or default on
19 a federally or state-guaranteed educational loan or service-conditional
20 scholarship. Prior to the suspension, the agency must provide the
21 person an opportunity for a brief adjudicative proceeding under RCW
22 34.05.485 through 34.05.494 and issue a finding of nonpayment or
23 default on a federally or state-guaranteed educational loan or
24 service-conditional scholarship. The person's certificate shall not be
25 reissued until the person provides the state director of fire
26 protection a written release issued by the lending agency stating that
27 the person is making payments on the loan in accordance with a
28 repayment agreement approved by the lending agency. If the person has
29 continued to meet all other requirements for certification during the
30 suspension, reinstatement shall be automatic upon receipt of the notice
31 and payment of any reinstatement fee the state director of fire
32 protection may impose.

33 NEW SECTION. **Sec. 22.** A new section is added to chapter 18.165
34 RCW to read as follows:

35 The director shall suspend the license or certificate of any person
36 who has been certified by a lending agency and reported to the director
37 for nonpayment or default on a federally or state-guaranteed

1 educational loan or service-conditional scholarship. Prior to the
2 suspension, the agency must provide the person an opportunity for a
3 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
4 issue a finding of nonpayment or default on a federally or state-
5 guaranteed educational loan or service-conditional scholarship. The
6 person's license or certificate shall not be reissued until the person
7 provides the director a written release issued by the lending agency
8 stating that the person is making payments on the loan in accordance
9 with a repayment agreement approved by the lending agency. If the
10 person has continued to meet all other requirements for licensure or
11 certification during the suspension, reinstatement shall be automatic
12 upon receipt of the notice and payment of any reinstatement fee the
13 director may impose.

14 NEW SECTION. **Sec. 23.** A new section is added to chapter 18.170
15 RCW to read as follows:

16 The director shall suspend the license or certificate of any person
17 who has been certified by a lending agency and reported to the director
18 for nonpayment or default on a federally or state-guaranteed
19 educational loan or service-conditional scholarship. Prior to the
20 suspension, the agency must provide the person an opportunity for a
21 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
22 issue a finding of nonpayment or default on a federally or state-
23 guaranteed educational loan or service-conditional scholarship. The
24 person's license or certificate shall not be reissued until the person
25 provides the director a written release issued by the lending agency
26 stating that the person is making payments on the loan in accordance
27 with a repayment agreement approved by the lending agency. If the
28 person has continued to meet all other requirements for licensure or
29 certification during the suspension, reinstatement shall be automatic
30 upon receipt of the notice and payment of any reinstatement fee the
31 director may impose.

32 NEW SECTION. **Sec. 24.** A new section is added to chapter 18.175
33 RCW to read as follows:

34 The director shall suspend the certificate of registration of any
35 person who has been certified by a lending agency and reported to the
36 director for nonpayment or default on a federally or state-guaranteed
37 educational loan or service-conditional scholarship. Prior to the

1 suspension, the agency must provide the person an opportunity for a
2 brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and
3 issue a finding of nonpayment or default on a federally or state-
4 guaranteed educational loan or service-conditional scholarship. The
5 person's certificate of registration shall not be reissued until the
6 person provides the director a written release issued by the lending
7 agency stating that the person is making payments on the loan in
8 accordance with a repayment agreement approved by the lending agency.
9 If the person has continued to meet all other requirements for
10 certification of registration during the suspension, reinstatement
11 shall be automatic upon receipt of the notice and payment of any
12 reinstatement fee the director may impose.

13 NEW SECTION. **Sec. 25.** A new section is added to chapter 18.180
14 RCW to read as follows:

15 The auditor of the county shall suspend the registration of any
16 person who has been certified by a lending agency and reported to the
17 auditor of the county for nonpayment or default on a federally or
18 state-guaranteed educational loan or service-conditional scholarship.
19 Prior to the suspension, the agency must provide the person an
20 opportunity for a brief adjudicative proceeding under RCW 34.05.485
21 through 34.05.494 and issue a finding of nonpayment or default on a
22 federally or state-guaranteed educational loan or service-conditional
23 scholarship. The person's registration shall not be reissued until the
24 person provides the auditor of the county a written release issued by
25 the lending agency stating that the person is making payments on the
26 loan in accordance with a repayment agreement approved by the lending
27 agency. If the person has continued to meet all other requirements for
28 registration during the suspension, reinstatement shall be automatic
29 upon receipt of the notice and payment of any reinstatement fee the
30 auditor of the county may impose.

31 NEW SECTION. **Sec. 26.** A new section is added to chapter 18.185
32 RCW to read as follows:

33 The director shall suspend the license of any person who has been
34 certified by a lending agency and reported to the director for
35 nonpayment or default on a federally or state-guaranteed educational
36 loan or service-conditional scholarship. Prior to the suspension, the
37 agency must provide the person an opportunity for a brief adjudicative

1 proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of
2 nonpayment or default on a federally or state-guaranteed educational
3 loan or service-conditional scholarship. The person's license shall
4 not be reissued until the person provides the director a written
5 release issued by the lending agency stating that the person is making
6 payments on the loan in accordance with a repayment agreement approved
7 by the lending agency. If the person has continued to meet all other
8 requirements for licensure during the suspension, reinstatement shall
9 be automatic upon receipt of the notice and payment of any
10 reinstatement fee the director may impose.

11 NEW SECTION. **Sec. 27.** A new section is added to chapter 28A.410
12 RCW to read as follows:

13 The authorizing authority shall suspend the certificate or permit
14 of any person who has been certified by a lending agency and reported
15 to the authorizing authority for nonpayment or default on a federally
16 or state-guaranteed educational loan or service-conditional
17 scholarship. Prior to the suspension, the agency must provide the
18 person an opportunity for a brief adjudicative proceeding under RCW
19 34.05.485 through 34.05.494 and issue a finding of nonpayment or
20 default on a federally or state-guaranteed educational loan or
21 service-conditional scholarship. The person's certificate or permit
22 shall not be reissued until the person provides the authorizing
23 authority a written release issued by the lending agency stating that
24 the person is making payments on the loan in accordance with a
25 repayment agreement approved by the lending agency. If the person has
26 continued to meet all other requirements for certification or permit
27 during the suspension, reinstatement shall be automatic upon receipt of
28 the notice and payment of any reinstatement fee the authorizing
29 authority may impose.

30 NEW SECTION. **Sec. 28.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

Passed the House March 2, 1996.

Passed the Senate February 29, 1996.

Approved by the Governor March 30, 1996.

Filed in Office of Secretary of State March 30, 1996.