

2008 SESSION

INTRODUCED

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SENATE BILL NO. 510

Offered January 9, 2008

Prefiled January 9, 2008

A *BILL to amend the Code of Virginia by adding a section numbered 23-4.3:2, relating to policies addressing for-profit student loan vendors.*

Patrons—McEachin and Petersen

Referred to Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 23-4.3:2 as follows:

§ 23-4.3:2. Policies addressing for-profit student loan vendors; report.

A. No employee at a Virginia public institution of higher education shall demand or receive any payment, loan, advance, deposit of money, services or anything, present or promised, as an inducement for promoting a for-profit student loan vendor.

B. No public institution of higher education shall enter into any agreement with a for-profit student loan vendor which states or implies an exclusive relationship between the school and vendor.

C. The governing boards of each public institution of higher education shall develop policies and procedures for disclosing certain information to students on student lending practices. This information shall include (i) disclosure of the for-profit status of private student loan vendors, (ii) the criteria used to determine which lenders, if any, are recommended or endorsed by the school, or included on a preferred lender list made available to students, and (iii) explicit notification that students are free to borrow from any lender of their choosing and are not limited to any lender or lenders suggested by the school.

D. Each public institution of higher education shall submit annually to the State Council of Higher Education a report detailing the policies and procedures required by this section.

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