

## 2008 SESSION

### SENATE SUBSTITUTE

084088273

#### SENATE BILL NO. 510

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the Senate Committee on Education and Health  
on January 24, 2008)

(Patron Prior to Substitute—Senator McEachin)

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

**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 student loan vendors; report; criminal penalty.*

*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 any student loan vendor.*

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

*C. The State Council of Higher Education for Virginia, with the advice and input of 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) 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 (ii) 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. Any employee violating this section, or any student loan vendor offering any payment, loan, advance, deposit of money, services or anything, present or promised, as an inducement for promoting such vendor at a Virginia public institution of higher education shall be guilty of a misdemeanor.*

SENATE SUBSTITUTE

SB510S1