

## Department of Planning and Budget

### 2018 Fiscal Impact Statement

**1. Bill Number:** HB 165

**House of Origin**    ☐ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☒ Enrolled

**2. Patron:** Delegate Yancey

**3. Committee:** Passed Both Houses

**4. Title:** Provide collection information to students who receive loans from public institutions of higher education

**5. Summary:** This bill requires that for each loan made from its fund, a public institution will:

- include in the documents for each loan an individual plan for the repayment of principal and interest and the payment of any late fees and clear and detailed information about the collection process for such loan pursuant to the Virginia Debt Collection Act, including information about the agency or entity that is responsible for collection;
- establish a process for notifying each student or, in the case of an undergraduate student and as appropriate, the student's parent of any loan payment that is past due no later than 30 days after the payment becomes past due and, if necessary, the end of the academic term during which the payment becomes past due; and
- make every effort to collect each loan and comply with the Virginia Debt Collection Act with regard to the loan collections and modify the terms of the loan for which payments are past due to provide for forbearance with the repayment to begin on a mutually agreed upon future date once the institution has provided the borrower with information regarding the effect of a forbearance on the loan amount.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Final (see Section 8)

**8. Fiscal Implications:** The requirements of this bill are largely in place at Virginia's public institutions of higher education. Although, administrative costs would result from being in full compliance with the notification requirements. In those instances, the costs could be absorbed using existing resources.

**9. Specific Agency or Political Subdivisions Affected:** Virginia's public institutions of higher education

**10. Technical Amendment Necessary:** Yes. Line 16, strike "payments become" and insert "payment becomes".

**11. Other Comments:** None.

**Date:** 03/15/18

c: Secretary of Education