

1995 SESSION

INTRODUCED

LD1354724

SENATE BILL NO. 638

Offered January 11, 1995

Prefiled January 6, 1995

A BILL to amend and reenact § 23-38.44:2 of the Code of Virginia, relating to student-loan defaults; penalties.

Patron—Potts

Referred to the Committee on Education and Health

Be it enacted by the General Assembly of Virginia:

1. That § 23-38.44:2 of the Code of Virginia is amended and reenacted as follows:

§ 23-38.44:2. Fraudulently obtaining student loan; student-loan defaults; penalties.

A. Any person who knowingly and willfully makes or causes to be made any false statement or representation or willful concealment of a material fact in an application resulting in the granting of a student loan guaranteed by the State Education Assistance Authority or who attempts or aids, assists or abets in committing or attempting such acts shall be subject to a civil penalty. The State Education Assistance Authority may petition a court of competent jurisdiction for an order assessing a civil penalty in an amount equal to the student loan which was obtained or sought, and for reasonable attorney's fees. The assessment of such penalty shall not affect the right of the State Education Assistance Authority to recover, with interest, the amount of any student loan so obtained. Civil penalties collected pursuant to this section shall be deposited to the trust fund of the State Education Assistance Authority.

B. Any loan recipient who defaults on his obligation to repay a student loan guaranteed by the State Education Assistance Authority shall be subject to a civil penalty in an amount equal to the amount owing on the student loan at the time of the default. The State Education Assistance Authority may petition a court of competent jurisdiction for an order assessing such civil penalty and for reasonable attorney's fees. The assessment of such penalty shall not affect the right of the State Education Assistance Authority to recover, with interest, the amount owing on any student loan. Civil penalties collected pursuant to this section shall be deposited to the trust fund of the State Education Assistance Authority.

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