

OCCUPATIONS CODE

TITLE 2. GENERAL PROVISIONS RELATING TO LICENSING

CHAPTER 56. ACTION AGAINST RECIPIENTS OF STUDENT FINANCIAL  
ASSISTANCE

Sec. 56.001. DEFINITIONS. In this chapter:

(1) "Administering entity" means a governmental entity that administers a student loan, student loan repayment, or scholarship program.

(2) "License" means a license, certificate, registration, permit, or other authorization that:

(A) is issued by a licensing authority; and

(B) a person must obtain to practice or engage in a particular business, occupation, or profession.

(3) "Licensing authority" means a department, commission, board, office, or other agency of the state that issues a license.

(4) "Scholarship contract" means an agreement by this state, an agency of this state, or the United States to make a grant to a person to support the person while attending a public or private institution of higher education or other postsecondary educational establishment in exchange for the person's agreement to perform a service obligation.

(5) "Student loan" means a loan made to a person to support the person while attending a public or private institution of higher education or other postsecondary educational establishment that is:

(A) owed to this state, an agency of this state, or the United States; or

(B) guaranteed by this state, an agency of this state, or the United States.

(6) "Student loan repayment contract" means an agreement by this state, an agency of this state, or the United States to repay all or part of a person's student loan in exchange for the person's agreement to perform a service obligation.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.

Sec. 56.002. APPLICABILITY. This chapter applies only to the following licensing authorities:

- (1) Texas Board of Chiropractic Examiners;
- (2) State Board of Dental Examiners;
- (3) Texas State Board of Podiatric Medical Examiners;

and

- (4) Texas State Board of Medical Examiners.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.

Sec. 56.003. AUTHORITY TO TAKE ACTION IN EVENT OF DEFAULT OR BREACH. On receipt of information from an administering entity that a person has defaulted on a student loan or has breached a student loan repayment contract or scholarship contract by failing to perform the person's service obligation under the contract, a licensing authority may:

- (1) deny the person's application for a license or license renewal;
- (2) suspend the person's license; or
- (3) take other disciplinary action against the person.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.

Sec. 56.004. REBUTTABLE PRESUMPTION. A determination by an administering entity that a person has defaulted on a student loan or has breached a student loan repayment contract or scholarship contract by failing to perform the person's service obligation under the contract creates a rebuttable presumption that the person has committed the default or breach.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.

Sec. 56.005. RESCISSION OF ACTION. A licensing authority may rescind any action taken under Section 56.003 on the receipt of information from an administering entity that the person against whom the action was taken has:

- (1) entered into an agreement with the administering entity to:
  - (A) repay the student loan;
  - (B) perform the service obligation; or

(C) pay any damages required by the student loan repayment contract or scholarship contract; or

(2) taken other action resulting in the person no longer being in default on the student loan or in breach of the student loan repayment contract or scholarship contract.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.

Sec. 56.006. REINSTATEMENT OF ACTION. A licensing authority may reinstate any action taken under Section 56.003 and may take other disciplinary action on the receipt of information from an administering entity that the person against whom the action was taken has:

(1) defaulted on or breached an agreement under Section 56.005(1); or

(2) otherwise defaulted on the student loan or breached the student loan repayment contract or scholarship contract.

Added by Acts 2001, 77th Leg., ch. 512, Sec. 1, eff. June 11, 2001.