

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 69

S.P. 79

In Senate, February 2, 1989

Submitted by the Department of Educational and Cultural Services pursuant to Joint Rule 24.

Reference to the Committee on Education suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator GILL of Cumberland.

Cosponsored by Senator ESTES of York, Representative REED of Falmouth and Representative O'GARA of Westbrook.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-NINE

An Act to Facilitate the Collection of Educational and Professional Loans.



1 **Be it enacted by the People of the State of Maine as follows:**

3 **Sec. 1. 36 MRSA §191, sub-§2, ¶N,** as amended by PL 1987, c.
5 769, Pt. A, §148, is further amended to read:

7 N. The disclosure by the State Tax Assessor of computerized
9 individual income tax data, without identification by
taxpayer name, number or address, to a research agency of
the Legislature; and

11 **Sec. 2. 36 MRSA §191, sub-§2, ¶O,** as enacted by PL 1987, c.
13 769, Pt. A, §149, is amended to read:

15 O. The disclosure to an authorized representative of the
17 Department of Human Services of the most recent address of a
delinquent payor of child support when a written request
containing the payor's Social Security number is made by the
department; and

19 **Sec. 3. 36 MRSA §191, sub-§2, ¶P** is enacted to read:

21 P. The disclosure to the Department of Educational and
23 Cultural Services, or its agent, of the most recent address
25 and telephone number of delinquent borrowers of educational
27 and professional loans for which the Department of
29 Educational and Cultural Services or the State Board of
Education has program or collection responsibilities, when
the department makes a written request containing the
borrower's Social Security number.

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STATEMENT OF FACT

35 The purpose of this bill is to help the Department of
37 Educational and Cultural Services collect delinquent educational
and professional loans.

39 Under the tax refund set-off provisions of the Maine Revised
41 Statutes Title 36, section 5276-A, the department frequently
obtains from the Bureau of Taxation updated addresses and
43 telephone numbers of delinquent student loan borrowers. The
income tax refunds which these borrowers would otherwise receive
45 are then applied to their outstanding loan obligations. However,
current law, the Maine Revised Statutes, Title 36, section 191,
47 subsection 2, paragraph J, prohibits the department from passing
this information on to its servicing agent for purposes of
collecting the remaining balances these borrowers owe on their
49 loans. Current law similarly does not allow the department and
its servicing agent to obtain from the bureau current addresses
51 and telephone numbers of delinquent borrowers who have not filed
for tax refunds. This bill removes these restrictions.

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55 The provisions of this bill apply to all educational and
professional loans which the Department of Educational and

1 Cultural Services or the State Board of Education has program or
collection responsibilities. This includes the various federally
3 guaranteed loan programs for which the state board serves as
guarantee agency as well as the state-sponsored loan programs
5 with no federal involvement, such as the Blaine House Scholars
Program and the New England Higher Education Compact Program.