

Motor Vehicle Division Information Memo # 19-12

2019 Legislation – Repeal of Delinquent Student Loan Driver’s License Suspension

DATE: June 17, 2019

FROM: Sara Siedsma, Compliance Officer, MVD

TO: All Driver and Identification Services staff, Iowa County Treasurers and County Treasurer’s staff
the issue driver’s licenses and non-operator’s identification cards

SUBJECT

This informational memo explains legislation enacted during the 2019 legislative session repealing the authority for the Iowa College Student Aid Commission to issue a certificate of noncompliance for a person who has defaulted on or has delinquent student loans and the authority for us to suspend a person’s driver’s license based on receiving a certificate of noncompliance from the commission.

SUMMARY

Senate File 304 repealed Iowa Code sections 261.121 to 261.127 authorizing the Iowa College Student Aid Commission to initiate an action to suspend any license, including a driver’s license, for any person who has defaulted, or is delinquent, on an obligation owed to the commission. Repeal of these code sections also removes the authority for us to act on a certificate of noncompliance for a person who has defaulted on or has delinquent student loans. **The legislative is effective July 1, 2019.**

LINK TO LEGISLATION

<https://www.legis.iowa.gov/docs/publications/LGE/88/SF304.pdf>

CURRENT

Under current law, a person may have their driver’s license suspended if we receive a certificate of noncompliance from the Iowa College Student Aid Commission, however, even though this authority has existed in code for many years, it has been several years since the commission has sent us a certificate of noncompliance and since we have taken a resulting suspension action.

NEW

The new legislation repeals the authority for the Iowa College Student Aid Commission to issue a certificate of noncompliance for a person who has defaulted on or has delinquent student loans and the authority for us to suspend a person’s driver’s license based on receiving a certificate of noncompliance from the commission.

BUSINESS IMPACT

This directive does not significantly impact the way that DIS operates as we have not received a certificate of noncompliance from the Iowa College Student Aid Commission in several years.