

Motor Vehicle Division Informational Memo # 19-31

Delinquent Student Loan Suspensions Administrative Rule Updates

DATE: December 10, 2019

FROM: Sara Siedsma, Compliance Officer, MVD

TO: All Motor Vehicle Division Staff, Iowa County Treasurers and County Treasurer's staff that issue driver's licenses and non-operator's identification cards and issue vehicle registrations.

SUBJECT

This informational memo explains an update to administrative rule chapters 761—400, Vehicle Registration and Certificate of Title and 761—615, Sanctions.

SUMMARY

The update to this rule chapter aligns with a change to Iowa Code section 261.126 made during the 2019 legislative session, which repealed the authority for the Iowa College Student Aid Commission to send us a certificate of noncompliance for delinquent student loan debt. Upon receipt of a certificate of noncompliance, the person's driver's license and vehicle registration would be suspended.

The administrative rule amendments are effective December 11, 2019.

LINK TO ADMINISTRATIVE RULES

<https://www.legis.iowa.gov/docs/aco/arc/4758C.pdf>

CURRENT

Previously, administrative rule chapters 761—400 and 761—615 required us to suspend a person's vehicle registration and driver's license if we received a certificate of noncompliance from the Iowa College Student Aid Commission for delinquent student loans. However, based on the 2019 legislative changes, and the fact that the Commission has not sent us a certificate of noncompliance for several years, we no longer issue vehicle registration or driver's licenses suspensions for delinquent student loan debt.

You may wish to review the previous informational memo (IM 19-12) we issued when the 2019 legislation became effective for more information about the background of the legislation.

For internal DOT employees, you may find IM 19-12 in the W drive at the address below:

W:\MotorVehicle\Policy & Communications\Memorandums\Memos\Informational Memos

For County Treasurers and staff, you may find IM 19-12 at the link to the county treasurer's manual below:

<https://iowadot.gov/mvd/ctmanual/memos/IM19-12.pdf>

NEW

As of December 11, 2019, the rules will align with the repeal of the authority under Iowa Code section 261.126 and our current processes to no longer suspend a person's vehicle registration or driver's licenses for delinquent student loan debt.

BUSINESS IMPACT

This directive does not impact the way that MVD operates as we no longer suspend a person's vehicle registration or driver's licenses for delinquent student loan debt.