

## Red Tape Review Rule Report (Due: September 1, 2025)

<b>Department Name:</b>	Iowa Department of Education – Bureau of Iowa College Aid	<b>Date:</b>	12/27/2024	<b>Total Rule Count:</b>	5
<b>IAC #:</b>	283	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapter 37	<b>Iowa Code Section Authorizing Rule:</b>	256.178 and 256.197(7)
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**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

Debtors and the Commission will benefit from the rulemaking since it clarifies the consistent processes by which the commission will utilize to collect upon defaulted obligations.

**Is the benefit being achieved? Please provide evidence.**

The benefit of the rule is achieved, as each of the processes and provisions intended to provide a benefit are illustrated within the rulemaking.

**What are the costs incurred by the public to comply with the rule?**

Since the rulemaking leverages existing processes at both the federal and state level, the costs incurred by the public are expected to be as minimal as possible.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

By utilizing existing processes for administrative wage garnishment and the state of Iowa tax offset process, the cost to the Commission are minimal.

**Do the costs justify the benefits achieved? Please explain.**

The costs justify the benefits achieved. The cost of inaction would be not collecting upon the defaulted obligations of individuals who have the means to repay those obligations. The rule also publicly illustrates the means by which the commission will collect upon defaulted obligations.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

The Commission has not identified a more cost effective alternative to the processes identified in the collection of defaulted obligations.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

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Much of the language within each rule was condensed or eliminated because it was redundant of 34 CFR Part 34 And 701 IAC Chapter 26. The following rules were eliminated entirely.

37.1 – obsolete rule.  
37.3 - obsolete rule.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

37.1, 37.3

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

CHAPTER 37  
DEBT COLLECTION

**283—37.1(256) Definitions.**

**37.1(1)** A “debtor” is a person who has defaulted on any obligation owed to or collected by the commission.

**37.1(2)** A debtor is in “default” if:

*a.* The debtor becomes obligated to repay the commission under any loan repayment program administered by the commission, and fails to make an agreed payment within 30 days of the agreed due date; or

*b.* The debtor becomes obligated to repay the commission under any forgivable loan program administered by the commission, and fails to make an agreed payment within 30 days of the agreed due date; or

*c.* The debtor enters into a written repayment agreement with the commission and fails to make an agreed payment within 30 days of the due date stated in the repayment agreement.

**37.1(3)** The phrase “defaulted obligation owed” means the total amount of the debtor’s obligation, including principal and unpaid accrued interest, and may include collection costs and other allowable fees.

**283—37.2(256) Administrative wage garnishment procedures.** The commission shall use the general administrative wage garnishment procedures established in 34 CFR Part 34 et seq., as of July 1, 2024, in the collection of all defaulted obligations owed to the commission. Administrative hearings will be governed by 283 – Chapter 4.

**283—37.3(261) Offset against state income tax refund or rebate.** The commission may make a claim against a defaulted borrower’s state income tax refund or rebate to receive a payment against defaulted obligation owed pursuant to 701 IAC Chapter 26.

***\*For rules being re-promulgated with changes, you may attach a document with suggested changes.***

**METRICS**

<b>Total number of rules repealed:</b>	<b>2</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>991</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>15</b>

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

