

Office of the Governor

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NEWS RELEASE

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RELEASE: January 12, 1999

Gov. Christie Whitman today conditionally vetoed the following piece of legislation.

S-57, sponsored by Senator Walter J. Kavanaugh (R-Morris/Somerset) and Assembly Members Guy R. Gregg (R-Sussex/Hunterdon/Morris) and Richard A. Merkt (R-Morris), would have provided for the suspension of certain licenses, registrations and certifications for failure to pay student loans. The bill would have required the Director of the Division of Consumer Affairs or the appropriate regulatory board within the Division to suspend the license, registration or certification of any person who has been certified by a lender or guarantor for nonpayment or default of a state or federal student loan. The bill provided that such a suspension shall be issued after a hearing. Under the bill, a suspended license could not have been renewed until the director or the board received a written release from the lender stating that the delinquent borrower has cured the default or is making payments pursuant to a repayment approved by the lender. The Division of Consumer Affairs governs the licensing of various professionals, including doctors, dentists, chiropractors, architects, nurses, real estate appraisers, and physicians' assistants. The bill also would have given authority to the New Jersey Supreme Court to suspend the licenses of attorneys who are delinquent on their student loans.

The Governor said she concurred with the sponsors of the legislation that the problem of defaulted student loans is of great importance to New Jersey taxpayers and requires immediate action. She said while she supported the bill, she recommended that the bill be amended to ensure that the debtor is afforded a proper due process hearing. The law was amended to state that the Director or Board shall suspend a professional license as appropriate. She also recommended an amendment to permit the New Jersey State Supreme Court to establish its own due process procedures in accordance with its rules for suspension of attorneys' licenses.