

SENATE 129: **AN ACT ESTABLISHING A STUDENT LOAN BILL OF RIGHTS**

(summary reflects text as redrafted)

SPONSORS: Senators Lesser, Cyr, Lewis, Eldridge, Donnelly, Hinds, and Friedman & Representatives Lewis, Ashe, Decker, Cullinane, and Fernandes

LEGISLATIVE HISTORY:

1/19/2017	Petition filed
1/23/2017	Referred to the committee on Consumer Protection and Professional Licensure
1/23/2017	House concurred
7/18/2017	Hearing held
2/22/2018	Bill reported favorably by the committee and referred to the Committee on Senate Ways and Means

EXISTING LAWS AFFECTED: M.G.L. c.12; M.G.L. c. 26; M.G.L. c. 93L

- PROPOSED LEGISLATION:**
- Creates the position of Student Loan Ombudsman within the Office of the Attorney General.
 - Requires the Student Loan Ombudsman to assist in resolving complaints from student loan borrowers and compile and analyze data on student loan borrower complaints and resolutions.
 - Requires the Consumer Assistance Unit within the Division of Banks to issue an annual report on activities related to student loans and student loan servicers, which will include any information received by the Student Loan Ombudsman.
 - Requires all student loan servicers to be licensed by the Division of Banks.
 - Exempts certain entities from licensure such as banks, credit unions and subsidiaries thereof.
 - Requires a student loan servicer to surrender its license if it ceases to engage in the business of student loan servicing.
 - Permits the Commissioner of Banks to participate in the Multi-state Licensing System to facilitate the student loan servicer licensing.
 - Requires a student loan servicer to be licensed under the name or place of business other than that named in the license.
 - Prohibits the assignment or transfer of a student loan servicer license.
 - Requires a student loan servicer to maintain adequate records of

each student loan transaction for at least 2 years following the final payment of a student loan.

- Permits the Commissioner of Banks to conduct investigations and examinations for licensing purposes or investigation violations or complaints.
- Permits the Commission of Banks to access, receive or use from any relevant party, any books, accounts, records, files, documents, information and other information as needed.
- Prohibits a student loan servicer or person subject to investigation from knowingly withholding, amending, removing, mutilating or destroying any relevant information requested by the Commissioner of Banks.
- Permits the Commissioner of Banks to revoke or refuse to renew a student loan servicer license under certain conditions.
- Permits the Commissioner of Banks to take enforcement action against a student loan servicer licensee.
- Establishes a violation of the student loan servicer license as a violation of M.G.L. chapter 93A.
- Permits the Commissioner of Banks to notify the Attorney General of a violation of M.G.L. chapter 93A.

ESTIMATED
FISCAL
IMPACT:

The cost of this legislation will be borne through current appropriation.

(MK)