

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-890

Title: AN ACT CONCERNING STUDENT LOAN SERVICERS.

Vote Date: 3/9/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2021

File No.: 112

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SPONSORS OF BILL:

Banking Committee

REASONS FOR BILL:

Student loan debt is increasingly rising, and continued regulation of student loan servicers with this bill will preserve the ability to enforce laws surrounding student loans.

The bill requires student loan servicers to register with the Department of Banking and to comply with record requirements as well as consumer protection mandates that are applicable to the student loan servicers. This bill will allow for further enforcement of consumer protection laws for students with federal loans.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Jorge Perez, Commissioner Dept of Banking

DOB believes that it is an effective way to continue enforcement of consumer protection laws by changing the licensing requirement for federal student loans. Because this bill will change it to a simple registration with no fee attached, we can continue to enforce the laws without changing companies who service private student loans

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Courtney Berry / Dawn Marzik

Date: 3/23/2021

