



General Assembly

Amendment

January Session, 2021

LCO No. 9993



Offered by:

REP. DOUCETTE, 13th Dist.

SEN. KASSER, 36th Dist.

SEN. LESSER, 9th Dist.

To: Subst. Senate Bill No. 890

File No. 112

Cal. No. 492

"AN ACT CONCERNING STUDENT LOAN SERVICERS."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 36a-846 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2021*):

5 As used in this section and sections 36a-847 to 36a-854, as amended
6 by this act, and sections 3, 4, 17 and 18 of this act:

7 (1) "Advertise" or "advertising" has the same meaning as provided in
8 section 36a-485;

9 (2) "Branch office" means a location other than the main office at
10 which a licensee or any person on behalf of a licensee acts as a student
11 loan servicer;

12 (3) "Consumer report" has the same meaning as provided in Section

13 603(d) of the Fair Credit Reporting Act, 15 USC, 1681a, as amended from
14 time to time;

15 [(3)] (4) "Control person" has the same meaning as provided in section
16 36a-485;

17 (5) "Cosigner" has the same meaning as provided in 15 USC 1650(a),
18 as amended from time to time;

19 (6) "Federal student education loan" means any student education
20 loan (A) (i) made pursuant to the William D. Ford Federal Direct Loan
21 Program, 20 USC 1087a, et seq., as amended from time to time, or (ii)
22 purchased by the United States Department of Education pursuant to 20
23 USC 1087i-1(a), as amended from time to time, and (B) owned by the
24 United States Department of Education;

25 (7) "Federal student loan servicer" means any student loan servicer
26 responsible for the servicing of a federal student education loan to a
27 student loan borrower pursuant to a contract awarded to such person
28 by the United States Department of Education under 20 USC 1087f, as
29 amended from time to time;

30 [(4)] (8) "Main office" has the same meaning as provided in section
31 36a-485;

32 (9) "Private student education loan" means any student education
33 loan that is not a federal student education loan;

34 (10) "Private student education loan servicer" means any student loan
35 servicer responsible for the servicing of a private student education loan
36 to a student loan borrower;

37 [(5)] (11) "Student loan borrower" means any individual who resides
38 within this state who has agreed to repay a student education loan;

39 [(6)] (12) "Student loan servicer" means any person, wherever located,
40 responsible for the servicing of any student education loan to any
41 student loan borrower;

42 ~~[(7)] (13)~~ "Servicing" means (A) receiving any scheduled periodic
43 payments from a student loan borrower pursuant to the terms of a
44 student education loan; (B) applying the payments of principal and
45 interest and such other payments with respect to the amounts received
46 from a student loan borrower, as may be required pursuant to the terms
47 of a student education loan; ~~(C) maintaining account records for and~~
48 ~~communicating with the student loan borrower concerning the student~~
49 ~~education loan during the period when no scheduled periodic payments~~
50 ~~are required; (D) interacting with a student loan borrower for purposes~~
51 ~~of facilitating the servicing of a student education loan, including, but~~
52 ~~not limited to, assisting a student loan borrower to prevent such~~
53 ~~borrower from defaulting on obligations arising from the student~~
54 ~~education loan; or [(C)] (E) performing other administrative services~~
55 with respect to a student education loan;

56 ~~[(8)] (14)~~ "Student education loan" means any loan primarily for
57 personal use to finance education or other school-related expenses;

58 ~~[(9)] (15)~~ "Unique identifier" has the same meaning as provided in
59 section 36a-485.

60 Sec. 2. Section 36a-847 of the general statutes is repealed and the
61 following is substituted in lieu thereof (*Effective July 1, 2021*):

62 (a) ~~[(1) No]~~ Except as provided in section 4 of this act, no person shall
63 act as a private student loan servicer, directly or indirectly, [without first
64 obtaining] unless such person obtains from the commissioner pursuant
65 to subsection (b) of this section a license for [its] such person's main
66 office and for each branch office where such business is conducted,
67 [from the commissioner under subsection (b) of this section, unless such
68 person is exempt from licensure pursuant to subdivision (2) of this
69 subsection.] Any activity subject to licensure pursuant to sections 36a-
70 846 to 36a-854, inclusive, as amended by this act, shall be conducted
71 from an office located in a state, as defined in section 36a-2.

72 ~~[(2)]~~ The following persons are exempt from student loan servicer
73 licensing requirements: (A) Any bank, out-of-state bank, Connecticut

74 credit union, federal credit union or out-of-state credit union; (B) any
75 wholly owned subsidiary of any such bank or credit union; and (C) any
76 operating subsidiary where each owner of such operating subsidiary is
77 wholly owned by the same bank or credit union.]

78 (b) (1) An application for a license as a private student loan servicer
79 or for renewal of such license shall be made and processed on the system
80 pursuant to section 36a-24b, as amended by this act, in the form
81 prescribed by the commissioner. Each such form shall contain content
82 as set forth by instruction or procedure of the commissioner and may be
83 changed or updated as necessary by the commissioner in order to carry
84 out the purposes of sections 36a-846 to 36a-854, inclusive, as amended
85 by this act. The applicant shall, at a minimum, furnish to the system
86 information concerning the identity of the applicant, any control person
87 of the applicant, the qualified individual and any branch manager
88 responsible for the actions of the licensee, including, but not limited to,
89 information related to such person's personal history and experience,
90 and any administrative, civil or criminal findings by any governmental
91 jurisdiction. As part of the application the commissioner may (A) in
92 accordance with section 29-17a, conduct a state or national criminal
93 history records check of the applicant, any control person of the
94 applicant, the qualified individual or any branch manager, and (B) in
95 accordance with section 36a-24b, as amended by this act, (i) require the
96 submission of fingerprints of the applicant, any control person of the
97 applicant, the qualified individual or any branch manager to the Federal
98 Bureau of Investigation or other state, national or international criminal
99 databases, and (ii) investigate the financial condition of any such person
100 and require authorization from any such person for the system and the
101 commissioner to obtain an independent credit report from a consumer
102 reporting agency, as described in Section 603(p) of the Fair Credit
103 Reporting Act, 15 USC 1681a, as amended from time to time. Such
104 application shall be accompanied by a financial statement prepared by
105 a certified public accountant, except that the commissioner may waive
106 such requirement in connection with any renewal application, provided
107 the system requires annual reports of condition that capture financial

108 statement information and the applicant has filed such information in
109 accordance with section 36a-848, as amended by this act.

110 (2) Each applicant for a private student loan servicer license shall pay
111 to the system any required fees or charges and a license fee of nine
112 hundred dollars. Each such license shall expire at the close of business
113 on December thirty-first of the year in which the license was approved,
114 unless such license is renewed, except that any such license approved
115 on or after November first shall expire at the close of business on
116 December thirty-first of the year following the year in which it is
117 approved. An application for renewal of a license shall be filed between
118 November first and December thirty-first of the year in which the license
119 expires. Each applicant for renewal of a [student loan servicer] license
120 shall pay to the system any required fees or charges and a renewal fee
121 of nine hundred dollars.

122 (3) Each license shall remain in force and effect until the license has
123 been surrendered, revoked or suspended or has expired in accordance
124 with the provisions of sections 36a-846 to 36a-854, inclusive, as amended
125 by this act. No abatement of the license fee shall be made if the
126 application is denied or withdrawn prior to issuance of the license or if
127 the license is surrendered, revoked or suspended prior to the expiration
128 of the period for which it was issued. All fees required by this section
129 shall be nonrefundable.

130 (c) Upon the filing of an application for an initial license and the
131 payment of required fees, the commissioner shall investigate the
132 financial condition and responsibility, financial and business
133 experience, character and general fitness of the applicant. The
134 commissioner may issue a license if the commissioner finds that:

135 (1) The applicant's financial condition is sound;

136 (2) The applicant's business will be conducted honestly, fairly,
137 equitably, carefully and efficiently within the purposes and intent of
138 sections 36a-846 to 36a-854, inclusive, as amended by this act, and in a
139 manner commanding the confidence and trust of the community;

140 (3) Each control person, qualified individual, branch manager and
141 trustee of the applicant is in all respects properly qualified and of good
142 character, including, but not limited to, assessment of such person's
143 financial responsibility and any criminal convictions, provided any
144 license denial based on a criminal conviction shall be subject to the
145 provisions of section 46a-80;

146 (4) No control person, qualified individual, branch manager or other
147 person on behalf of the applicant knowingly has made any incorrect
148 statement of a material fact in the application, or in any report or
149 statement made pursuant to sections 36a-846 to 36a-854, inclusive, as
150 amended by this act;

151 (5) No control person, qualified individual, branch manager or other
152 person on behalf of the applicant knowingly has omitted to state any
153 material fact necessary to give the commissioner any information
154 lawfully required by the commissioner;

155 (6) The applicant has paid the fees required under subsection (b) of
156 this section; and

157 (7) The applicant has met any other similar requirements as
158 determined by the commissioner.

159 (d) Not later than fifteen days after the date a licensee ceases to
160 engage in the business of [student loan] servicing private student
161 education loans in this state for any reason, including a business
162 decision to terminate operations in this state, license revocation,
163 bankruptcy or voluntary dissolution, such licensee shall surrender to
164 the commissioner, in accordance with subsection (c) of section 36a-51,
165 its license for each location in which such licensee has ceased to engage
166 in such business. The licensee shall also identify to the commissioner, in
167 writing, the location where the records of the licensee will be stored and
168 the name, address and telephone number of an individual authorized to
169 provide access to the records. The surrender of a license does not reduce
170 or eliminate the licensee's civil or criminal liability arising from acts or
171 omissions occurring prior to the surrender of the license, including any

172 administrative actions undertaken by the commissioner to revoke or
173 suspend a license, assess a civil penalty, order restitution or exercise any
174 other authority provided to the commissioner.

175 (e) If an application for a renewal license has been filed with the
176 commissioner on or before the date the license expires, the license
177 sought to be renewed shall continue in full force and effect until the
178 issuance by the commissioner of the renewal license applied for or until
179 the commissioner has notified the licensee in writing of the
180 commissioner's refusal to issue such renewal license together with the
181 grounds upon which such refusal is based. The commissioner may
182 refuse to issue a renewal license (1) on any ground on which the
183 commissioner might refuse to issue an initial license, or (2) if the
184 applicant has not paid any required fee for renewal or has not paid any
185 outstanding examination fees or other moneys due to the commissioner.
186 The license of a private student loan servicer failing to satisfy the
187 minimum standards for license renewal shall expire. The commissioner
188 may adopt procedures for the reinstatement of expired licenses
189 consistent with the standards established by the system.

190 (f) The commissioner may automatically suspend a license if the
191 licensee receives a deficiency on the system indicating that a required
192 payment was Returned-ACH or returned pursuant to such other term
193 as may be utilized by the system to indicate that the payment was not
194 accepted. After a license has been automatically suspended pursuant to
195 this section, the commissioner shall (1) give the licensee notice of the
196 automatic suspension, pending proceedings for revocation or refusal to
197 renew pursuant to section 36a-852, as amended by this act, and an
198 opportunity for a hearing on such action in accordance with section 36a-
199 51, and (2) require such licensee to take or refrain from taking such
200 action as the commissioner deems necessary to effectuate the purposes
201 of this section.

202 (g) Except as specified in section 36a-848, as amended by this act, the
203 applicant or licensee, and each individual designated as a control
204 person, qualified individual or branch manager, shall file [to] on the

205 system any change in the information such applicant, licensee, control
206 person, qualified individual or branch manager most recently submitted
207 to the system in connection with the application or license, or, if the
208 information cannot be filed on the system, notify the commissioner of
209 such change, in writing, not later than fifteen days after the date the
210 applicant, licensee, control person, qualified individual or branch
211 manager had reason to know of the change.

212 (h) The commissioner may deem an application for a license
213 abandoned if the applicant fails to respond to any request for
214 information required under sections 36a-846 to 36a-854, inclusive, as
215 amended by this act, or any regulations adopted pursuant to said
216 sections. The commissioner shall notify the applicant on the system that
217 if the applicant fails to submit such information not later than sixty days
218 after the date on which such request for information was made, the
219 application shall be deemed abandoned. An application filing fee paid
220 prior to the date an application is deemed abandoned pursuant to this
221 subsection shall not be refunded. Abandonment of an application
222 pursuant to this subsection shall not preclude the applicant from
223 submitting a new application for a license under the provisions of
224 sections 36a-846 to 36a-854, inclusive, as amended by this act.

225 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) Except as provided in section
226 4 of this act, no person shall act as a federal student loan servicer,
227 directly or indirectly, unless such person has registered as a federal
228 student loan servicer on the system, pursuant to section 36a-24b of the
229 general statutes, as amended by this act, in the form prescribed by the
230 commissioner.

231 (b) Each registrant shall pay to the system any required fees or
232 charges and a registration fee of nine hundred dollars. Each registration
233 shall be effective on the date the registration is filed to the system and
234 shall remain in force and effect until the registration has been
235 surrendered, revoked or suspended or has expired in accordance with
236 the provisions of this section. Each registration shall expire at the close
237 of business on December thirty-first of the year in which the registration

238 is filed, unless such registration is renewed, except that any such
239 registration filed on or after November first shall expire at the close of
240 business on December thirty-first of the year following the year in which
241 it is filed. Any request to renew a registration shall be filed on the system
242 between November first and December thirty-first of the year in which
243 the registration expires and shall be accompanied by payment of any
244 required fees or charges and a renewal fee of nine hundred dollars.

245 (c) (1) Each registrant shall appoint an agent to accept service of
246 process in this state on behalf of the registrant. Service of process made
247 upon such agent shall be deemed service of process upon the registrant.
248 If such agent cannot with reasonable diligence be found, or if the
249 registrant has failed to appoint an agent as required by this subdivision,
250 service of process may be made upon a control person of the registrant,
251 as the agent of the registrant.

252 (2) Each registrant shall designate an individual to represent the
253 registrant in communications with the commissioner and provide
254 contact information for such individual to the commissioner at the time
255 of registration. The registrant shall notify the commissioner of any
256 change of such individual or information not later than ten days after
257 the change.

258 (d) Each registrant shall notify the commissioner in writing of the
259 expiration, revocation or termination of any contract awarded to the
260 registrant by the United States Department of Education pursuant to 20
261 USC 1087f, as amended from time to time, not later than seven days after
262 such expiration, revocation or termination. Any registration based
263 solely upon such contract shall be deemed expired upon the effective
264 date of such expiration, revocation or termination by the United States
265 Department of Education.

266 (e) The commissioner may impose a civil penalty, after notice and an
267 opportunity for a hearing in accordance with section 36a-50 of the
268 general statutes, as amended by this act, on any person that acts as a
269 federal student loan servicer for thirty or more days in violation of this

270 section.

271 Sec. 4. (NEW) (*Effective July 1, 2021*) The provisions of sections 36a-
272 846 to 36a-854, inclusive, of the general statutes, as amended by this act,
273 and sections 3, 17 and 18 of this act shall not apply to the following
274 persons: (1) Any bank, out-of-state bank that has a physical presence in
275 the state, Connecticut credit union, federal credit union or out-of-state
276 credit union; (2) any wholly owned subsidiary of any such bank or
277 credit union; and (3) any operating subsidiary where each owner of such
278 operating subsidiary is wholly owned by the same bank or credit union.

279 Sec. 5. Section 36a-848 of the general statutes is repealed and the
280 following is substituted in lieu thereof (*Effective July 1, 2021*):

281 (a) No person licensed to act [within this state] as a private student
282 loan servicer under section 36a-847, as amended by this act, or registered
283 to act as a federal student loan servicer under section 3 of this act, shall
284 do so under any other name or at any other place of business than that
285 named in the license or registration. No such licensee or registrant may
286 use any name other than its legal name or a fictitious name approved by
287 the commissioner, provided such licensee or registrant may not use its
288 legal name if the commissioner disapproves use of such name. A
289 licensee or registrant may change the name of the licensee or registrant
290 or the address of the office specified on the most recent filing with the
291 system if, at least thirty calendar days prior to such change, the licensee
292 or registrant files such change with the system and the commissioner
293 does not disapprove such change, in writing, or request further
294 information from the licensee or registrant within such thirty-day
295 period. Not more than one place of business shall be maintained under
296 the same license or registration but the commissioner may issue more
297 than one license or registration to the same licensee or registrant upon
298 compliance with the provisions of sections 36a-846 to 36a-854, inclusive,
299 as amended by this act, and section 3 of this act, as to each new licensee
300 or registrant.

301 (b) [A] No such license or registration shall [not] be transferable or

302 assignable. Any change in any control person of the licensee or
303 registrant, except a change of a director, general partner or executive
304 officer that is not the result of an acquisition or change of control of the
305 licensee or registrant, shall be the subject of an advance change notice
306 filed on the system at least thirty days prior to the effective date of such
307 change and no such change shall occur without the commissioner's
308 approval. For purposes of this section, "change of control" means any
309 change causing the majority ownership, voting rights or control of a
310 licensee or registrant to be held by a different control person or group
311 of control persons.

312 (c) (1) The commissioner may automatically suspend any license for
313 a violation of subsection (a) or (b) of this section. After a license has been
314 automatically suspended pursuant to this subsection, the commissioner
315 shall [(1)] (A) give the licensee notice of such automatic suspension
316 pending proceedings for revocation of or refusal to renew the license
317 pursuant to section 36a-852, as amended by this act, and an opportunity
318 for a hearing in accordance with section 36a-51, and [(2)] (B) require the
319 licensee to take or refrain from taking action as the commissioner deems
320 necessary to effectuate the purpose of this section.

321 (2) The commissioner may impose a civil penalty against any
322 registrant for a violation of subsection (a) or (b) of this section after
323 notice and an opportunity for a hearing in accordance with section 36a-
324 50, as amended by this act.

325 (d) [A] Each private student loan servicer licensee and each federal
326 student loan servicer registrant shall file on the system or, if the
327 information cannot be filed on the system, notify the commissioner, in
328 writing, of the occurrence of any of the following developments not later
329 than fifteen days after the date the licensee or registrant had reason to
330 know of the occurrence of any of the following developments:

331 (1) Filing for bankruptcy or the consummation of a corporate
332 restructuring of the licensee or registrant;

333 (2) Filing of a criminal indictment against the licensee or registrant in

334 any way related to the student loan servicer activities of the licensee or
335 registrant, or receiving notification of the filing of any criminal felony
336 indictment or felony conviction of any control person, branch manager
337 or qualified individual of the licensee or registrant;

338 (3) Receiving notification of the institution of license denial, cease and
339 desist, suspension or revocation procedures, or other formal or informal
340 action by any governmental agency against the licensee or registrant, or
341 any control person, branch manager or qualified individual of the
342 licensee or registrant and the reasons therefor;

343 (4) Receiving notification of the initiation of any action against the
344 licensee or registrant, or any control person, branch manager or
345 qualified individual of the licensee or registrant by the Attorney General
346 or the attorney general of any other state and the reasons therefor; or

347 (5) Receiving notification of filing for bankruptcy of any control
348 person, branch manager or qualified individual of the licensee or
349 registrant.

350 (e) Any person filing or submitting any information on the system
351 shall do so in accordance with the procedures and requirements of the
352 system and shall pay the applicable fees or charges to the system. Each
353 private student loan servicer licensee and each federal student loan
354 servicer registrant shall, to the extent required by the system, timely
355 submit to the system accurate reports of condition that shall be in such
356 form and shall contain such information as the system may require.
357 Failure by a licensee or registrant to submit a timely and accurate report
358 of condition shall constitute a violation of this provision.

359 (f) The unique identifier of any person licensed [under section 36a-
360 847] as a private student loan servicer or registered as a federal student
361 loan servicer shall be clearly shown on all solicitations and
362 advertisements, including business cards and Internet web sites, and
363 any other documents as established by rule, regulation or order of the
364 commissioner, and shall be clearly stated in all audio solicitations and
365 advertisements. The solicitations and advertisements of any [person

366 licensed under section 36a-847] such licensee or registrant: (1) Shall not
367 include any statement that such person is endorsed in any way by this
368 state, except that such solicitations and advertisements may include a
369 statement that such person is licensed or registered in this state; (2) shall
370 not include any statement or claim that is deceptive, false or misleading;
371 (3) shall otherwise conform to the requirements of sections 36a-846 to
372 36a-854, inclusive, as amended by this act, and sections 3 and 4 of this
373 act, any regulations issued thereunder and any other applicable law;
374 and (4) shall be retained for two years from the date of use of such
375 solicitation or advertisement.

376 Sec. 6. Section 36a-849 of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective July 1, 2021*):

378 (a) [Each] Except as otherwise required pursuant to federal law, a
379 federal student loan agreement or by a contract with the United States
380 Department of Education, each private student loan servicer licensee
381 and each federal student loan servicer registrant shall maintain
382 adequate records of each student education loan transaction for not less
383 than two years following the final payment on such student education
384 loan or the assignment of such student education loan, whichever
385 occurs first, or such longer period as may be required by any other
386 provision of law.

387 (b) [If requested by the commissioner, each] Except as otherwise
388 required pursuant to federal law, a federal student loan agreement or
389 by a contract with the United States Department of Education, each
390 private student loan servicer licensee [shall] and each federal student
391 loan servicer registrant shall, if requested by the commissioner, make
392 such records available or send such records to the commissioner by
393 registered or certified mail, return receipt requested, or by any express
394 delivery carrier that provides a dated delivery receipt, not later than five
395 business days after requested by the commissioner to do so. Upon
396 request, the commissioner may grant a licensee or registrant additional
397 time to make such records available or send the records to the
398 commissioner.

399 Sec. 7. Section 36a-850 of the general statutes is repealed and the
400 following is substituted in lieu thereof (*Effective July 1, 2021*):

401 No [person who is required to be licensed and who is subject to the
402 provisions of sections 36a-846 to 36a-854, inclusive,] student loan
403 servicer and no control person of a student loan servicer shall, directly
404 or indirectly:

405 (1) Employ any scheme, device or artifice to defraud or mislead
406 student loan borrowers;

407 (2) Engage in any unfair or deceptive practice toward any person or
408 misrepresent or omit any material information in connection with the
409 servicing of a student education loan, including, but not limited to,
410 misrepresenting the amount, nature or terms of any fee or payment due
411 or claimed to be due on a student education loan, the terms and
412 conditions of the loan agreement or the borrower's obligations under the
413 loan;

414 (3) Obtain property by fraud or misrepresentation;

415 (4) Knowingly misapply or recklessly apply student education loan
416 payments to the outstanding balance of a student education loan;

417 (5) Knowingly or recklessly provide inaccurate information to a
418 credit bureau, thereby harming a student loan borrower's
419 creditworthiness;

420 (6) Fail to report both the favorable and unfavorable payment history
421 of the student loan borrower to a nationally recognized consumer credit
422 bureau at least annually if the student loan servicer [licensee] regularly
423 reports information to a credit bureau;

424 (7) Refuse to communicate with an authorized representative of the
425 student loan borrower who provides a written authorization signed by
426 the student loan borrower, provided the student loan servicer [licensee]
427 may adopt procedures reasonably related to verifying that the
428 representative is in fact authorized to act on behalf of the student loan

429 borrower;

430 (8) Negligently make any false statement or knowingly and wilfully
431 make any omission of a material fact in connection with any information
432 or reports filed with a governmental agency or in connection with any
433 investigation conducted by the commissioner or another governmental
434 agency;

435 (9) [Fail] Unless otherwise required pursuant to federal law, a federal
436 student loan agreement or by a contract between a federal student loan
437 servicer and the United States Department of Education, fail to establish,
438 enforce and maintain policies and procedures for supervising
439 employees, agents and office operations that are reasonably designed to
440 achieve compliance with applicable student loan servicing laws and
441 regulations [;] or fail to comply with the service standards set by the
442 commissioner in accordance with section 59 of public act 16-65; or

443 [(10) Fail to comply with the service standards set by the
444 commissioner in accordance with section 59 of public act 16-65.]

445 (10) Engage in an abusive act or practice, as described in Section 1031
446 of the Dodd-Frank Wall Street Reform and Consumer Protection Act,
447 P.L. 111-203, as amended from time to time, when servicing a student
448 education loan.

449 Sec. 8. Section 36a-851 of the general statutes is repealed and the
450 following is substituted in lieu thereof (*Effective July 1, 2021*):

451 (a) In addition to any authority provided under this title, the [Banking
452 Commissioner] commissioner shall have the authority to conduct
453 investigations and examinations as follows:

454 (1) For purposes of initial licensing or registration, license renewal,
455 license suspension, license revocation or termination, or general or
456 specific inquiry or investigation to determine compliance with sections
457 36a-846 to 36a-854, inclusive, as amended by this act, and section 3 of
458 this act, the commissioner may access, receive and use any books,

459 accounts, records, files, documents, information or evidence including,
460 but not limited to, (A) criminal, civil and administrative history
461 information; (B) personal history and experience information, including
462 independent credit reports obtained from a consumer reporting agency
463 described in Section 603(p) of the Fair Credit Reporting Act, 15 USC
464 1681a; and (C) any other documents, information or evidence the
465 commissioner deems relevant to the inquiry or investigation regardless
466 of the location, possession, control or custody of such documents,
467 information or evidence.

468 (2) For the purposes of investigating violations or complaints arising
469 under sections 36a-846 to 36a-854, inclusive, as amended by this act, or
470 section 3 of this act, or for the purposes of examination, the
471 commissioner may review, investigate or examine any student loan
472 servicer [licensee] or person subject to said sections as often as necessary
473 in order to carry out the purposes of said sections. The commissioner
474 may direct, subpoena or order the attendance of and examine under
475 oath all persons whose testimony may be required about the student
476 education loan or the business or subject matter of any such examination
477 or investigation, and may direct, subpoena or order such person to
478 produce books, accounts, records, files and any other documents the
479 commissioner deems relevant to the inquiry.

480 (b) In making any examination or investigation authorized by this
481 section, the commissioner may control access to any documents and
482 records of the student loan servicer [licensee] or person under
483 examination or investigation. The commissioner may take possession of
484 the documents and records or place a person in exclusive charge of the
485 documents and records in the place where they are usually kept. During
486 the period of control, no person shall remove or attempt to remove any
487 of the documents and records except pursuant to a court order or with
488 the consent of the commissioner. Unless the commissioner has
489 reasonable grounds to believe the documents or records of the student
490 loan servicer [licensee] or person have been, or are at risk of being,
491 altered or destroyed for purposes of concealing a violation of sections
492 36a-846 to 36a-854, inclusive, as amended by this act, or section 3 of this

493 act, the student loan servicer [licensee] or owner of the documents and
494 records shall have access to the documents or records as necessary to
495 conduct its ordinary business affairs.

496 (c) In order to carry out the purposes of this section, the commissioner
497 may:

498 (1) Retain attorneys, accountants or other professionals and
499 specialists as examiners, auditors or investigators to conduct or assist in
500 the conduct of examinations or investigations;

501 (2) Enter into agreements or relationships with other government
502 officials or regulatory associations in order to improve efficiencies and
503 reduce regulatory burden by sharing resources, standardized or
504 uniform methods or procedures, and documents, records, information
505 or evidence obtained under this section;

506 (3) Use, hire, contract or employ public or privately available
507 analytical systems, methods or software to examine or investigate the
508 student loan servicer [licensee] or person subject to sections 36a-846 to
509 36a-854, inclusive, as amended by this act, or section 3 of this act;

510 (4) Accept and rely on examination or investigation reports made by
511 other government officials, within or without this state; and

512 (5) Accept audit reports made by an independent certified public
513 accountant for the student loan servicer [licensee] or person subject to
514 sections 36a-846 to 36a-854, inclusive, as amended by this act, or section
515 3 of this act, in the course of that part of the examination covering the
516 same general subject matter as the audit and may incorporate the audit
517 report in the report of examination, report of investigation or other
518 writing of the commissioner.

519 (d) The authority of this section shall remain in effect, whether such
520 student loan servicer [licensee] or person subject to sections 36a-846 to
521 36a-854, inclusive, as amended by this act, or section 3 of this act, acts or
522 claims to act under any licensing or registration law of this state, or

523 claims to act without such authority.

524 (e) No student loan servicer [licensee] or person subject to
525 investigation or examination under this section may knowingly
526 withhold, abstract, remove, mutilate, destroy or secrete any books,
527 records, computer records or other information.

528 Sec. 9. Section 36a-852 of the general statutes is repealed and the
529 following is substituted in lieu thereof (*Effective July 1, 2021*):

530 (a) The commissioner may suspend, revoke or refuse to renew any
531 license issued under section 36a-847, as amended by this act, or take any
532 other action, in accordance with section 36a-51, if the commissioner
533 finds that (1) the licensee or any control person, qualified individual,
534 branch manager, trustee, employee or agent of the licensee has violated
535 any provision of this title or any regulation or order adopted or issued
536 pursuant thereto pertaining to such person, or any other law or
537 regulation applicable to the conduct of such licensee's student loan
538 servicing business, or (2) any fact or condition exists which, if it had
539 existed at the time of the original application for the license, clearly
540 would have warranted a denial of such license.

541 (b) The commissioner may suspend, revoke or refuse to renew any
542 registration filed pursuant to section 3 of this act if any fact or condition
543 exists which, if it had existed at the time of filing for registration, would
544 have precluded eligibility for such registration.

545 [(b)] (c) Whenever it appears to the commissioner that any (1) person
546 has violated, is violating or is about to violate any of the provisions of
547 sections 36a-846 to 36a-854, inclusive, as amended by this act, section 3
548 of this act or any regulation adopted pursuant to said sections, (2)
549 person is, was or would be a cause of the violation of any such provision
550 or regulation due to an act or omission such person knew or should have
551 known would contribute to such violation, or (3) any licensee or
552 registrant or any control person, qualified individual, branch manager,
553 trustee, employee or agent of such licensee or registrant has committed
554 any fraud, engaged in dishonest activities or made any

555 misrepresentation, the commissioner may take action against such
556 person, [or] licensee or registrant in accordance with sections 36a-50, as
557 amended by this act, and 36a-52, as amended by this act.

558 [(c)] (d) The commissioner may order a licensee to remove any
559 individual conducting business under sections 36a-846 to 36a-854,
560 inclusive, as amended by this act, from office and from employment or
561 retention as an independent contractor in the student loan servicer
562 business in this state in accordance with section 36a-51a.

563 [(d)] (e) The commissioner may issue a temporary order to cease
564 business under a license if the commissioner determines that such
565 license was issued erroneously. Such temporary order shall be issued in
566 accordance with subsection (j) of section 36a-24b, as amended by this
567 act.

568 Sec. 10. Subdivision (1) of subsection (d) of section 36a-17 of the
569 general statutes is repealed and the following is substituted in lieu
570 thereof (*Effective July 1, 2021*):

571 (1) For the purposes of issuing, renewing, suspending, conditioning,
572 revoking or terminating any license or registration issued on the system,
573 or for any general or specific inquiry or investigation of persons
574 engaged in a business or activity subject to licensure or registration by
575 the commissioner on the system to determine compliance with
576 applicable law, the commissioner may access, receive and use any
577 records, information or evidence, including, but not limited to: (A)
578 Criminal, civil and administrative history information; (B) personal
579 history and experience information, including, but not limited to,
580 independent credit reports obtained from a consumer reporting agency
581 described in Section 603(p) of the Fair Credit Reporting Act, 15 USC
582 1681a; and (C) any other records, information or evidence the
583 commissioner deems relevant to the inquiry or investigation, regardless
584 of the location, possession, control or custody of such records,
585 information or evidence.

586 Sec. 11. Section 36a-24b of the general statutes is repealed and the

587 following is substituted in lieu thereof (*Effective July 1, 2021*):

588 (a) In addition to any other duties imposed upon the commissioner
589 by law, the commissioner is authorized to require persons engaged in a
590 financial services industry subject to the commissioner's jurisdiction to
591 be licensed or registered through the system, as defined in section 36a-
592 2.

593 (b) In the event the commissioner elects to require system-based
594 licensure or registration for persons engaged in a financial services
595 industry subject to the commissioner's jurisdiction, the commissioner
596 shall require all initial or renewal applications for such licenses or
597 registrations in this state to be made and processed through the system
598 in such form as the commissioner may prescribe, and the system shall
599 be authorized to receive and maintain records related to such licenses or
600 registrations to the same extent allowed or required to be maintained by
601 the commissioner. For this purpose, the commissioner may establish
602 requirements by order as necessary for participation in the system,
603 including, but not limited to: (1) Background checks, including in the
604 case of any form of business organization, checks on the individuals
605 comprising the ownership or management of such organization, for
606 criminal history through (A) fingerprint submission to the Federal
607 Bureau of Investigation or other state, national or international criminal
608 databases, (B) civil, criminal or administrative records from any
609 governmental jurisdiction, (C) credit history, including an independent
610 credit report obtained from a consumer reporting agency described in
611 Section 603(p) of the Fair Credit Reporting Act, 15 USC 1681a, or (D) any
612 other information as deemed necessary by the system; (2) the payment
613 of fees to apply for or renew licenses or registrations through the system;
614 (3) the setting or resetting of license or registration expiration, renewal
615 or transition dates or reporting dates or forms; (4) the requirements for
616 amending or surrendering a license or any other such activities as the
617 commissioner deems necessary for participation in the system; and (5)
618 the use of electronic bonds. Such information may thereafter be used by
619 the commissioner to determine an applicant's eligibility for licensing or
620 registration under applicable law and any order issued by the

621 commissioner pursuant to this section. For the purpose of participating
622 in the system, the commissioner may by order waive or modify, in
623 whole or in part, any applicable requirement of this title and establish
624 new requirements as reasonably necessary. For the purpose of
625 implementing an orderly and efficient licensing and registration
626 process, the commissioner may adopt licensing and registration
627 regulations, in accordance with the provisions of chapter 54, and interim
628 procedures for licensing and registration and acceptance of applications
629 for licensure and registrations.

630 (c) In the event the commissioner elects to require system-based
631 licensure for persons engaged in financial services industries subject to
632 the commissioner's jurisdiction, the commissioner may report regularly
633 to the system violations of and enforcement actions under applicable
634 law and other relevant information. The commissioner may establish
635 relationships or enter into contracts with the system or other entities
636 designated by the system to collect and maintain records and process
637 transaction fees or other fees related to licensees or other persons
638 required or permitted to be licensed or registered on the system.

639 (d) To reduce the points of contact that the commissioner or the
640 Federal Bureau of Investigation may have to maintain for purposes of
641 this title, the commissioner may use the system as a channeling agent
642 for requesting information from and distributing information to the
643 United States Department of Justice, any governmental agency or any
644 other source as directed by the commissioner.

645 (e) A person required or permitted to be licensed or registered on the
646 system may challenge information entered into the system by the
647 commissioner. Such challenge shall (1) be made in writing to the
648 commissioner, (2) set forth the specific information being challenged,
649 and (3) include any evidence which supports the challenge. A challenge
650 shall be limited to the factual accuracy of information within the system.
651 If the commissioner determines that the information entered into the
652 system is factually inaccurate, the commissioner shall take prompt
653 action to correct such information. Nothing in this subsection shall be

654 construed to permit a challenge under this section to the merits or
655 factual basis of any administrative action taken by the commissioner
656 pursuant to this title.

657 (f) A person making any filing or submission of any information on
658 the system shall do so in accordance with the procedures and
659 requirements of the system and shall pay applicable fees or charges to
660 the system. Each person required to obtain registration or licensure
661 through the system shall timely submit to the system accurate reports
662 that shall be in such form and contain such information as the system
663 may require.

664 (g) All fees paid for any initial application for a license or registration
665 or for a renewal application for a license or registration, including, but
666 not limited to, fees paid in connection with an application that is denied
667 or withdrawn prior to the issuance of the license or registration, shall be
668 nonrefundable. No fee shall be prorated if the license or registration is
669 surrendered, revoked or suspended prior to the expiration of the period
670 for which it was approved.

671 (h) The commissioner may automatically suspend a license or
672 registration of a person on the system if such person receives a
673 deficiency on the system indicating that a required payment was
674 Returned-ACH or returned pursuant to any other term as may be
675 utilized by the system to indicate that payment was not accepted. After
676 a license or registration has been automatically suspended pursuant to
677 this subsection, the commissioner shall give such licensee or registrant
678 notice of the automatic suspension, pending proceedings for revocation
679 or refusal to renew and an opportunity for a hearing on such action in
680 accordance with section 36a-51 and require such licensee or registrant
681 to take or refrain from taking such action that, in the opinion of the
682 commissioner, will effectuate the purposes of this subsection.

683 (i) The commissioner may deem an application for a license or
684 registration on the system abandoned if the applicant fails to respond to
685 any request for required information. The commissioner shall notify the

686 applicant on the system that if such information is not submitted within
687 sixty days of the date of such request the application shall be deemed
688 abandoned. An application filing fee paid prior to the date an
689 application is deemed abandoned pursuant to this subsection shall not
690 be refunded. Abandonment of an application pursuant to this
691 subsection shall not preclude the applicant from submitting a new
692 application for a license or registration.

693 (j) The commissioner may issue a temporary order to cease business
694 under a license or registration if the commissioner determines that such
695 license or registration was issued erroneously. The commissioner shall
696 give the licensee or registrant an opportunity for a hearing on such
697 action in accordance with section 36a-52, as amended by this act. Such
698 temporary order shall become effective upon receipt by the licensee and,
699 unless set aside or modified by a court, shall remain in effect until the
700 effective date of a permanent order or dismissal of the matters asserted
701 in the notice.

702 Sec. 12. Subdivision (1) of subsection (a) of section 36a-50 of the
703 general statutes is repealed and the following is substituted in lieu
704 thereof (*Effective July 1, 2021*):

705 (a) (1) Whenever the commissioner finds as the result of an
706 investigation that any person has violated any provision of the general
707 statutes within the jurisdiction of the commissioner, or any regulation,
708 rule or order adopted or issued thereunder, the commissioner may send
709 a notice to such person by registered or certified mail, return receipt
710 requested, or by any express delivery carrier that provides a dated
711 delivery receipt, unless such person is licensed by or registered with the
712 commissioner, in which case the notice may be provided by personal
713 delivery, as defined in section 4-166, in accordance with section 36a-52a,
714 as amended by this act. The notice shall be deemed received by the
715 person on the earlier of the date of actual receipt or seven days after
716 mailing or sending, and in the case of a notice sent by electronic mail,
717 the notice shall be deemed received by the person in accordance with
718 section 36a-52a, as amended by this act. Any such notice shall include:

719 (A) A statement of the time, place, and nature of the hearing; (B) a
720 statement of the legal authority and jurisdiction under which the
721 hearing is to be held; (C) a reference to the particular sections of the
722 general statutes, regulations, rules or orders alleged to have been
723 violated; (D) a short and plain statement of the matters asserted; (E) the
724 maximum penalty that may be imposed for such violation; and (F) a
725 statement indicating that such person may file a written request for a
726 hearing on the matters asserted not later than fourteen days after receipt
727 of the notice.

728 Sec. 13. Subsection (a) of section 36a-52 of the general statutes is
729 repealed and the following is substituted in lieu thereof (*Effective July 1,*
730 *2021*):

731 (a) Whenever it appears to the commissioner that any person has
732 violated, is violating or is about to violate any provision of the general
733 statutes within the jurisdiction of the commissioner, or any regulation,
734 rule, or order adopted or issued thereunder, the commissioner may send
735 a notice to such person by registered or certified mail, return receipt
736 requested, or by any express delivery carrier that provides a dated
737 delivery receipt, unless such person is licensed by or registered with the
738 commissioner, in which case the notice may be provided by personal
739 delivery, as defined in section 4-166, in accordance with section 36a-52a,
740 as amended by this act. The notice shall be deemed received by the
741 person on the earlier of the date of actual receipt, or seven days after
742 mailing or sending, and in the case of a notice sent by electronic mail,
743 the notice shall be deemed received by the person in accordance with
744 section 36a-52a, as amended by this act. Any such notice shall include:
745 (1) A statement of the time, place, and nature of the hearing; (2) a
746 statement of the legal authority and jurisdiction under which the
747 hearing is to be held; (3) a reference to the particular sections of the
748 general statutes, regulations, rules or orders alleged to have been
749 violated; (4) a short and plain statement of the matters asserted; and (5)
750 a statement indicating that such person may file a written request for a
751 hearing on the matters asserted within fourteen days of receipt of the
752 notice. If a hearing is requested within the time specified in the notice,

753 the commissioner shall hold a hearing upon the matters asserted in the
754 notice, unless the person fails to appear at the hearing. After the hearing,
755 the commissioner shall determine whether an order to cease and desist
756 should be issued against the person named in the notice. If the person
757 does not request a hearing within the time specified in the notice or fails
758 to appear at the hearing, the commissioner shall issue an order to cease
759 and desist against the person. No such order shall be issued except in
760 accordance with the provisions of chapter 54.

761 Sec. 14. Section 36a-52a of the general statutes is repealed and the
762 following is substituted in lieu thereof (*Effective July 1, 2021*):

763 Notwithstanding the provisions of subsection (c) of section 4-182, the
764 [Banking Commissioner] commissioner may provide notice pursuant to
765 section 4-182 or sections 36a-50 to 36a-52, inclusive, as amended by this
766 act, to any person licensed by or registered with the commissioner by
767 personal delivery, as defined in section 4-166. For licensed or registered
768 persons who are not natural persons, the electronic mail addresses of
769 the natural persons designated as primary contacts by such licensed or
770 registered persons in the contact employee fields on the system shall
771 constitute an acceptable means of communication for personal delivery,
772 and a notice sent by electronic mail to such primary contacts at such
773 electronic mail addresses shall constitute notice. For licensed or
774 registered persons who are natural persons, the electronic mail address
775 identified by such licensed persons on the system shall constitute an
776 acceptable means of communication for personal delivery within the
777 meaning of section 4-166, and a notice sent by electronic mail to such
778 electronic mail address shall constitute notice. Any notice provided in
779 accordance with this section shall be deemed received by the person on
780 the earlier of the date of actual receipt or seven days after mailing or
781 sending, and in the case of a notice sent by electronic mail, the notice
782 shall be deemed received by the person on the earlier of the date of
783 actual receipt by any natural person to whom such notice was sent or
784 seven days after such notice was sent.

785 Sec. 15. Subdivision (2) of subsection (a) of section 36a-65 of the

786 general statutes is repealed and the following is substituted in lieu
787 thereof (*Effective July 1, 2021*):

788 (2) In addition to any license, investigation or examination fee
789 required under this title, the commissioner may levy assessments on
790 persons licensed as money transmitters pursuant to sections 36a-595 to
791 36a-612, inclusive, and persons licensed as private student loan servicers
792 pursuant to sections 36a-846 to 36a-854, inclusive, as amended by this
793 act. The commissioner shall annually, on or after July first for the fiscal
794 year commencing on said July first, collect such additional amounts
795 sufficient in the commissioner's judgment to meet the expenses of the
796 Department of Banking, including a reasonable reserve for
797 contingencies. Such assessment shall be determined pro rata based on:
798 (A) For licensed money transmitters, dollar volume of money
799 transmissions in this state, and (B) for licensed private student loan
800 servicers, dollar volume of private student education loans, as defined
801 in section 36a-846, as amended by this act, of student loan borrowers
802 serviced. Each such licensee shall pay the commissioner the amount
803 allocated to it not later than the date specified by the commissioner for
804 payment. Failure by a licensee to timely make such payment shall
805 constitute a violation of this section and a basis upon which the
806 commissioner may take action against such licensee pursuant to section
807 36a-51.

808 Sec. 16. Subdivision (6) of subsection (c) of section 36a-65 of the
809 general statutes is repealed and the following is substituted in lieu
810 thereof (*Effective July 1, 2021*):

811 (6) A licensee under section 36a-489, 36a-541, 36a-556, 36a-581, 36a-
812 600, 36a-628, 36a-656, 36a-671, 36a-719, 36a-801 or 36a-847, as amended
813 by this act, and a registrant under section 3 of this act shall pay to the
814 commissioner the actual cost of any examination of the licensee or
815 registrant, as such cost is determined by the commissioner. If the
816 licensee fails to pay such cost not later than sixty days after receipt of
817 demand from the commissioner, the commissioner may suspend the
818 license until such costs are paid.

819 Sec. 17. (NEW) (*Effective October 1, 2021*) (a) Any student loan
820 borrower, class of student loan borrowers, the legal representative of
821 such borrower or borrowers or cosigner aggrieved by a violation of any
822 provision of sections 36a-846 to 36a-854, inclusive, of the general
823 statutes, as amended by this act, or section 3 or 18 of this act, by a student
824 loan servicer, may bring an action in the Superior Court. Upon finding
825 that a student loan servicer has violated any provision of said sections,
826 the court may award a prevailing party actual damages, reasonable
827 attorneys' fees and court costs, and may, in its discretion, award
828 punitive damages and restitution of property and may provide such
829 equitable relief as it deems appropriate.

830 (b) In addition to the judicial relief provided under subsection (a) of
831 this section, in any civil action brought under this section in which the
832 student loan borrower or cosigner prevails, the court shall award treble
833 damages upon a finding that the student loan servicer has engaged in
834 conduct that substantially interferes with (1) such student loan
835 borrower's right to an alternative payment arrangement, loan
836 forgiveness, cancellation or discharge of the student loan borrower's
837 student education loan, or (2) any other financial benefit (A) established
838 under the terms of such student loan borrower's promissory note, or (B)
839 pursuant to the Higher Education Act of 1965, as amended from time to
840 time, or the regulations adopted thereunder.

841 (c) Any student loan borrower, the legal representative of such
842 borrower or a cosigner entitled to bring an action under subsection (a)
843 of this section may, pursuant to rules established by the judges of the
844 Superior Court, bring a class action on behalf of themselves and other
845 similarly situated student loan borrowers or cosigners to recover
846 damages.

847 (d) The remedies provided under this section shall be in addition to
848 any other remedies provided under state or federal law, and a student
849 loan borrower or cosigner shall not be required to exhaust any
850 administrative remedies established pursuant to sections 36a-846 to 36a-
851 854, inclusive, of the general statutes, as amended by this act, and

852 section 3 of this act, prior to bringing an action under this section.

853 Sec. 18. (NEW) (*Effective October 1, 2021*) In servicing a private student
854 education loan, a private student education loan servicer shall:

855 (1) Prior to sending the first billing statement on a private student
856 education loan or immediately upon receipt of a private student
857 education loan following the transfer or assignment of such private
858 student education loan, provide to the student loan borrower, and to
859 any cosigner of such private student education loan, information
860 concerning the rights and responsibilities of such student loan borrower
861 and cosigner, including information regarding (A) how such private
862 student education loan obligation will appear on the cosigner's
863 consumer report, (B) how the cosigner will be notified if the private
864 student education loan becomes delinquent, including how the cosigner
865 can cure the delinquency in order to avoid negative credit furnishing
866 and loss of cosigner release eligibility, and (C) eligibility for release of
867 the cosigner's obligation on such private student education loan,
868 including number of on-time payments and any other criteria required
869 to approve the release of the cosigner from the loan obligation;

870 (2) Send annual written notice to all student loan borrowers and
871 cosigners relating to information about cosigner release, including the
872 criteria the private student education loan servicer requires to approve
873 the release of a cosigner from a private student education loan
874 obligation and the process for applying for cosigner release;

875 (3) Upon satisfaction by the student loan borrower of the applicable
876 consecutive on-time payment requirement for purposes of cosigner
877 release eligibility, send, in writing, to such student loan borrower and
878 cosigner (A) a notification that such consecutive on-time payment
879 requirement has been satisfied and that such cosigner may be eligible
880 for cosigner release, and (B) information relating to the procedure for
881 applying for cosigner release and any additional criteria that a cosigner
882 must satisfy in order to be eligible for cosigner release. Such notification
883 and information shall be sent by either United States mail or electronic

884 mail, provided such student loan borrower has elected to receive
885 electronic communications from the private student education loan
886 servicer;

887 (4) In the event that an application for a cosigner release is
888 incomplete, provide, in writing, (A) notice to the student loan borrower
889 and cosigner that such application is incomplete, and (B) a description
890 of the information that is missing or the additional information that is
891 needed to consider the application complete and the date by which the
892 borrower or cosigner are required to provide such information;

893 (5) Not later than thirty days following the submission of an
894 application for cosigner release, send to the student loan borrower and
895 cosigner a written notice of the decision that such application has been
896 approved or denied. If the application for cosigner release has been
897 denied, such written notice shall inform such student loan borrower and
898 cosigner that such student loan borrower and cosigner have the right to
899 request all documents and information used by the private student
900 education loan servicer in its decision to deny such application,
901 including the credit score threshold used by the private student
902 education loan servicer, the consumer report of such student loan
903 borrower or cosigner, the credit score of such student loan borrower or
904 cosigner, and any other documents that are relevant or specific to such
905 student loan borrower or cosigner. The private student education loan
906 servicer shall provide such student loan borrower and cosigner with any
907 adverse action notices required under federal law if the denial of such
908 application was based in whole or in part on any information contained
909 in a consumer report;

910 (6) Include the information described in subdivision (2) of this section
911 in any response to an application for cosigner release;

912 (7) Refrain from imposing any restrictions on a student loan borrower
913 or cosigner that may permanently prevent such student loan borrower
914 or cosigner from qualifying for a cosigner release, including, but not
915 limited to, restrictions on the number of times a student loan borrower

916 or cosigner may apply for cosigner release;

917 (8) Refrain from imposing any negative consequences on a student
918 loan borrower or cosigner during the sixty days following issuance of
919 the notice described in subdivision (4) of this section, or until a final
920 decision concerning a student loan borrower or cosigner's application
921 for cosigner release is made. For purposes of this subdivision, "negative
922 consequences" includes, but is not limited to, the imposition of
923 additional eligibility criteria, negative credit reporting, lost eligibility for
924 a cosigner release, late fees, interest capitalization or other financial
925 penalties or injury;

926 (9) Refrain from requiring a student loan borrower to make more than
927 twelve consecutive on-time payments as part of the eligibility criteria
928 for cosigner release. Such private student education loan servicer shall
929 consider any student loan borrower who has paid the equivalent of
930 twelve-months of principal and interest during any twelve-month
931 period to have satisfied the consecutive on-time payment requirement,
932 even if such student loan borrower has not made payments monthly
933 during such twelve-month period;

934 (10) Upon receipt of a request by a student loan borrower or cosigner
935 to a change that results in restarting the count of consecutive on-time
936 payments required for cosigner release eligibility, provide to such
937 student loan borrower and cosigner written notification of the impact of
938 such change on cosigner release eligibility and an opportunity to
939 withdraw or reverse such change for purposes of avoiding such impact;

940 (11) Provide a student loan borrower or cosigner (A) the right to
941 request an appeal of a determination to deny a cosigner release
942 application, (B) an opportunity to submit additional information or
943 documentation evidencing that such student loan borrower has the
944 ability, willingness and stability to make his or her payment obligations,
945 and (C) the right to request that a different employee of the private
946 student education loan servicer review and make a determination on the
947 application for a cosigner release;

948 (12) Establish and maintain a comprehensive record management
 949 system reasonably designed to ensure the accuracy, integrity and
 950 completeness of data and other information about cosigner release
 951 applications. Such system shall include the number of cosigner release
 952 applications received, the approval and denial rate of such applications
 953 and the primary reasons for denial of such applications;

954 (13) In the event that a cosigner has a total and permanent disability,
 955 as determined by any federal or state agency or doctor of medicine or
 956 osteopathy legally authorized to practice in the state, and unless
 957 otherwise expressly prohibited under the terms of a private student
 958 education loan agreement, (A) release the cosigner from his or her
 959 obligation to repay the private student education loan upon receipt of
 960 notification that such cosigner has a total and permanent disability, and
 961 (B) refrain from requiring that a new cosigner be added to such private
 962 student education loan after the original cosigner has been released
 963 from such private student education loan;

964 (14) Provide the cosigner of a private student education loan with
 965 access to the same documents and records associated with the private
 966 student education loan that are available to the student loan borrower
 967 of such private student education loan; and

968 (15) If a student loan borrower has electronic access to documents and
 969 records associated with a private student education loan, provide
 970 equivalent electronic access to such documents and records to the
 971 cosigner of such private student education loan."

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2021	36a-846
Sec. 2	July 1, 2021	36a-847
Sec. 3	July 1, 2021	New section
Sec. 4	July 1, 2021	New section
Sec. 5	July 1, 2021	36a-848
Sec. 6	July 1, 2021	36a-849

Sec. 7	<i>July 1, 2021</i>	36a-850
Sec. 8	<i>July 1, 2021</i>	36a-851
Sec. 9	<i>July 1, 2021</i>	36a-852
Sec. 10	<i>July 1, 2021</i>	36a-17(d)(1)
Sec. 11	<i>July 1, 2021</i>	36a-24b
Sec. 12	<i>July 1, 2021</i>	36a-50(a)(1)
Sec. 13	<i>July 1, 2021</i>	36a-52(a)
Sec. 14	<i>July 1, 2021</i>	36a-52a
Sec. 15	<i>July 1, 2021</i>	36a-65(a)(2)
Sec. 16	<i>July 1, 2021</i>	36a-65(c)(6)
Sec. 17	<i>October 1, 2021</i>	New section
Sec. 18	<i>October 1, 2021</i>	New section