



General Assembly

Substitute Bill No. 5318

February Session, 2022



AN ACT ESTABLISHING A STUDENT LOAN REGISTRY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2022*) For purposes of this
2 section and section 2 of this act:

3 (1) "Commissioner" means the Banking Commissioner;

4 (2) "Consumer collection agency" has the same meaning as provided
5 in section 36a-800 of the general statutes;

6 (3) "Postsecondary education expense" means any expense associated
7 with a student's enrollment in, or attendance at, a postsecondary
8 educational institution;

9 (4) "Private education lender" means: (A) Any person engaged in the
10 business of making or extending private education loans; (B) a holder of
11 a private education loan; or (C) a private education loan creditor.
12 "Private education lender" does not include: (i) A bank, as defined in 12
13 USC 1841(c); (ii) a Connecticut credit union or a federal credit union, as
14 those terms are defined in section 36a-2 of the general statutes; (iii) a
15 consumer collection agency, licensed pursuant to section 36a-801 of the
16 general statutes; (iv) a student loan servicer, licensed pursuant to section
17 36a-847 of the general statutes; or (v) the Connecticut Higher Education

18 Supplemental Loan Authority, as described in section 10a-179a of the
19 general statutes;

20 (5) "Private education loan" means credit that: (A) Is extended to a
21 consumer expressly, in whole or in part, for postsecondary educational
22 expenses, regardless of whether the credit is provided by the
23 postsecondary educational institution that the student attends; and (B)
24 is not made, insured or guaranteed under Title IV of the Higher
25 Education Act of 1965, as amended from time to time. "Private education
26 loan" does not include: (i) A loan that is secured by real property,
27 regardless of the purpose of the loan; or (ii) an extension of credit in
28 which the covered postsecondary educational institution is the lender if:
29 (I) The term of the extension of credit is ninety days or less; or (II) an
30 interest rate is not applied to the credit balance and the term of the
31 extension of credit is one year or less, even if the credit is payable in
32 greater than four installments;

33 (6) "Private education loan borrower" means any resident of the state,
34 including a student loan borrower, who has received or agreed to pay a
35 private education loan for the resident's own postsecondary education
36 expenses;

37 (7) "Private education loan creditor" means: (A) Any person to whom
38 a debt is owed by a debtor, where such debt results from a private
39 education loan; or (B) any person to whom such debt is assigned.
40 "Private education loan creditor" does not include a consumer collection
41 agency, a student loan servicer or any department or agency of the
42 United States, this state, any other state or any political subdivision
43 thereof; and

44 (8) "Student loan servicer" has the same meaning as provided in
45 section 36a-800 of the general statutes.

46 Sec. 2. (NEW) (*Effective October 1, 2022*) (a) Except for a public or
47 private nonprofit postsecondary educational institution, for which the
48 commissioner may prescribe an alternative registration process and fee

49 structure, a private education lender shall, prior to making a private
50 education loan to a resident of the state:

51 (1) Register with the commissioner in the form and manner
52 prescribed by the commissioner; and

53 (2) Provide the commissioner, at the time of registration and not less
54 than annually thereafter, and at other times upon the commissioner's
55 request, with the following documents and information in the form and
56 manner prescribed by the commissioner:

57 (A) A list of all schools attended by private education loan borrowers
58 to whom the private education lender provided a private education
59 loan;

60 (B) The number of private education loans made annually to private
61 education loan borrowers;

62 (C) The number of private education loans made annually at each
63 school listed pursuant to subparagraph (A) of this subdivision;

64 (D) The dollar amount of private education loans made annually;

65 (E) The spread of interest rates for private education loans made
66 annually;

67 (F) The number of private education loans made with a cosigner
68 annually;

69 (G) The default rate for private education loan borrowers obtaining
70 private education loans from the private education lender, including the
71 default rate for private education loans made to private education loan
72 borrowers for each school listed pursuant to subparagraph (A) of this
73 subdivision;

74 (H) A copy of each model promissory note, agreement, contract or
75 other instrument used by the private education lender during the
76 previous year to substantiate that a private education loan has been

77 extended to a private education loan borrower or that a private
78 education loan borrower owes a debt to the lender; and

79 (I) The name and address of the private education lender and any
80 officer, director, partner or owner of a controlling interest of the lender.

81 (b) The commissioner shall create a publicly accessible Internet web
82 site that includes the following information about private education
83 lenders registered in the state:

84 (1) The name, address, telephone number and Internet web site for
85 all registered private education lenders;

86 (2) A summary of the information provided pursuant to subdivision
87 (2) of subsection (a) of this section; and

88 (3) Copies of all model promissory notes, agreements, contracts and
89 other instruments provided to the commissioner in accordance with
90 subparagraph (H) of subdivision (2) of subsection (a) of this section.

91 (c) The commissioner may take action pursuant to section 36a-50 of
92 the general statutes to enforce the provisions of this section.

93 (d) The commissioner may order that any person who has been found
94 to have violated any provision of this section and has thereby caused
95 financial harm to a consumer be barred for a term not exceeding ten
96 years from acting as a private education lender or a stockholder, officer,
97 director, partner or other owner or employee of a private education
98 lender.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	New section
Sec. 2	October 1, 2022	New section

BA Joint Favorable Subst.