

**HB1634/877771/1**

BY: Finance Committee

AMENDMENTS TO HOUSE BILL 1634, AS AMENDED  
(Third Reading File Bill)

AMENDMENT NO. 1

On pages 1 and 2 of the Finance Committee Amendments (HB1634/417178/1), strike Amendment No. 1 in its entirety.

On pages 3 through 43 of the Finance Committee Amendments, strike Amendment No. 3 in its entirety.

AMENDMENT NO. 2

On page 3, in line 22, before “requiring” insert “requiring the Commissioner of Financial Regulation to designate an individual to serve as the Student Loan Ombudsman; requiring a certain student loan servicer to designate an individual to represent the student loan servicer in certain communications; requiring a certain student loan servicer to provide the Student Loan Ombudsman certain information; establishing the duties and responsibilities of the Student Loan Ombudsman; requiring the Student Loan Ombudsman, in consultation with the Commissioner, to establish a certain student loan borrower education course; establishing the requirements of the course; establishing certain reporting requirements;”; strike beginning with “study” in line 25 down through “issues” in line 26 and substitute “conduct certain studies”.

On page 4 of the bill, before line 23, insert:

“BY adding to

Article - Financial Institutions

Section 2-104.1

Annotated Code of Maryland

(2011 Replacement Volume and 2017 Supplement)”;

(Over)

and in line 25, after "2-116(b)," insert "11-201(e)."

AMENDMENT NO. 3

On page 37 of the bill, after line 16, insert:

"SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Financial Institutions

2-104.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "SERVICING" MEANS:

(I) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;

(II) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT EDUCATION LOAN TERMS; AND

(III) PERFORMING OTHER ADMINISTRATIVE SERVICES.

(3) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED FOR FINANCING POSTSECONDARY EDUCATION OR OTHER POSTSECONDARY SCHOOL-RELATED EXPENSES.

(4) “STUDENT LOAN BORROWER” MEANS:

(I) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO PAY A STUDENT EDUCATION LOAN; OR

(II) A RESIDENT WHO SHARES REPAYMENT RESPONSIBILITY WITH A RESIDENT DESCRIBED UNDER ITEM (I) OF THIS PARAGRAPH.

(5) “STUDENT LOAN OMBUDSMAN” MEANS AN INDIVIDUAL, WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.

(6) (I) “STUDENT LOAN SERVICER” MEANS A PERSON, REGARDLESS OF LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A STUDENT LOAN BORROWER.

(II) “STUDENT LOAN SERVICER” INCLUDES A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT OF STUDENT LOAN SERVICING.

(B) (1) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.

(2) (I) EACH STUDENT LOAN SERVICER IN THE STATE SHALL DESIGNATE AN INDIVIDUAL TO REPRESENT THE STUDENT LOAN SERVICER IN COMMUNICATIONS WITH THE STUDENT LOAN OMBUDSMAN.

(II) A STUDENT LOAN SERVICER SHALL PROVIDE THE STUDENT LOAN OMBUDSMAN THE NAME, TELEPHONE NUMBER, AND E-MAIL

ADDRESS OF THE DESIGNEE REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL RECEIVE AND PROCESS COMPLAINTS ABOUT STUDENT EDUCATION LOAN SERVICING, INCLUDING:

(1) RECEIVING AND REVIEWING COMPLAINTS FROM STUDENT LOAN BORROWERS;

(2) ATTEMPTING TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION; AND

(3) COMPILING AND ANALYZING COMPLAINT DATA.

(D) THE STUDENT LOAN OMBUDSMAN MAY REFER ANY MATTER THAT IS ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT TO THE OFFICE OF THE ATTORNEY GENERAL FOR CIVIL ENFORCEMENT OR CRIMINAL PROSECUTION.

(E) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL DISSEMINATE INFORMATION ABOUT STUDENT EDUCATION LOANS AND SERVICING BY:

(1) HELPING STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;

**(2) PROVIDING INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND**

**(3) DISSEMINATING INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:**

**(I) STUDENT LOAN BORROWERS;**

**(II) POTENTIAL STUDENT LOAN BORROWERS;**

**(III) STATE HIGHER EDUCATION INSTITUTIONS; AND**

**(IV) STUDENT LOAN SERVICERS.**

**(F) (1) THE STUDENT LOAN OMBUDSMAN SHALL:**

**(I) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS;**

**(II) DISCLOSE THE COMPLAINT DATA IT COMPILES AND ANALYZES UNDER SUBSECTION (C) OF THIS SECTION, INCLUDING:**

**1. NOTING ANY TRENDS IN THE DATA; AND**

(Over)

2. IDENTIFYING THE NAMES OF STUDENT LOAN SERVICERS ENGAGING IN ANY ABUSIVE, UNFAIR, DECEPTIVE, OR FRAUDULENT PRACTICES; AND

(III) MAKE RECOMMENDATIONS REGARDING:

1. STATUTORY AND REGULATORY METHODS TO RESOLVE STUDENT LOAN BORROWER PROBLEMS AND CONCERNS; AND

2. NECESSARY CHANGES TO STATE LAW TO ENSURE THAT THE STUDENT LOAN SERVICING INDUSTRY IS FAIR, TRANSPARENT, AND EQUITABLE, INCLUDING WHETHER THE STATE SHOULD REQUIRE LICENSING OR REGISTRATION OF STUDENT LOAN SERVICERS.

(2) ON OR BEFORE JANUARY 1 EACH YEAR, THE STUDENT LOAN OMBUDSMAN SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE.

(G) (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A STUDENT LOAN BORROWER EDUCATION COURSE.

(2) THE COURSE SHALL:

(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL ABOUT STUDENT EDUCATION LOANS; AND

(II) REVIEW THE FOLLOWING:

1. COMMON STUDENT EDUCATION LOAN TERMS;
2. DOCUMENTATION REQUIREMENTS FOR STUDENT EDUCATION LOAN APPLICATIONS;
3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT EDUCATION LOANS;
4. INCOME-BASED REPAYMENT OPTIONS FOR STUDENT EDUCATION LOANS;
5. STUDENT EDUCATION LOAN FORGIVENESS PROGRAMS; AND
6. STUDENT EDUCATION LOAN DISCLOSURE REQUIREMENTS.

(H) ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSIONER SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:

(1) THE IMPLEMENTATION OF THE STUDENT LOAN OMBUDSMAN AND RELATED PROVISIONS UNDER THIS SECTION; AND

(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN OMBUDSMAN POSITION.”.

On page 52 of the bill, in lines 16 and 26, strike “2.” and “3.”, respectively, and substitute “3.” and “4.”, respectively.

(Over)

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On page 53 of the bill, in lines 20, 25, and 32, strike "4", "5", and "6", respectively, and substitute "5", "6", and "7", respectively.