

SB1068/933193/1

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 1068
(Third Reading File Bill)

AMENDMENT NO. 1

On page 2, strike beginning with “providing” in line 32 down through “Fund:” in line 34; and in line 35, after “Ombudsman;” insert “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;”.

On pages 2 through 4, strike beginning with “prohibiting” in line 39 on page 2 down through “damages;” in line 1 on page 4.

On page 4, strike beginning with “requiring” in line 2 down through “Fund:” in line 4; and in line 20, strike “, 7–102,”.

On page 5, in line 17, strike “11–219” and substitute “11–201(e)”; in line 18, strike “11–610,”; in line 23, strike “11–303” and substitute “11–201(a)”; and strike beginning with the semicolon in line 28 down through “Servicers” in line 29.

AMENDMENT NO. 2

On page 36, in line 2, strike “**\$800,000**” and substitute “**\$700,000**”; and in line 16, strike “**\$400,000**” and substitute “**\$300,000**”.

On page 38, in lines 24 and 25, strike “**\$2,500**” and “**\$10,000**”, respectively, and substitute “**\$10,000**” and “**\$25,000**”, respectively.

On page 39, in lines 7 and 8, strike “**\$2,500**” and “**\$10,000**”, respectively, and substitute “**\$10,000**” and “**\$25,000**”, respectively; and strike in their entirety lines 15 through 23, inclusive, and substitute:

(Over)

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“11-201.

(a) In this subtitle the following words have the meanings indicated.

(e) “Loan” means any loan or advance of money or credit [made under] SUBJECT TO Title 12, Subtitle 3 of the Commercial Law Article, the Maryland Consumer Loan Law – Credit Provisions, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT IS OR PURPORTS TO BE MADE UNDER THIS SUBTITLE.”.

On page 77, in line 19, strike the first “of”; and in line 32, strike “homebuying” and substitute “home-buying”.

AMENDMENT NO. 3

On pages 7 and 8, strike in their entirety the lines beginning with line 22 on page 7 through line 23 on page 8, inclusive.

On pages 41 through 44, strike in their entirety the lines beginning with line 30 on page 41 through line 35 on page 44, inclusive.

On pages 48 and 49, strike in their entirety the lines beginning with line 1 on page 48 through line 12 on page 49, inclusive, and substitute:

“(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.

(Over)

(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, PHONE 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
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.”.

On page 49, in line 13, strike “(D)” and substitute “(G)”.

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On pages 50 through 75, strike in their entirety the lines beginning with line 3 on page 50 through line 17 on page 75, inclusive.

On page 75, in line 18, before “ON” insert “(H)”; and in line 22, strike “§ 2-104.1 OF THIS ARTICLE” and substitute “THIS SECTION”.

On pages 75 and 76, strike in their entirety the lines beginning with line 27 on page 75 through line 24 on page 76, inclusive.