

## SENATE AMENDMENTS TO SENATE BILL 279

By COMMITTEE ON JUDICIARY

April 10

1 On page 2 of the printed bill, line 14, delete the period and insert “including, but not limited to,  
2 performing any of the following actions during periods in which a payment on a student loan is not  
3 due:

4 “(A) Maintaining account records for the student loan;

5 “(B) Communicating with the borrower about the student loan on behalf of the lender; or

6 “(C) Interacting with a borrower to prevent a default on a student loan or to enable the activ-  
7 ities described in paragraphs (a) and (b) of this subsection.”.

8 Delete line 21.

9 In line 22, delete “(c)” and insert “(b)”.

10 Delete lines 26 through 30 and insert:

11 “(c) An attorney who is licensed or otherwise authorized to practice law in this state if the at-  
12 torney services a student loan only incidentally in the course of practicing law.

13 “(d) A public body, as defined in ORS 174.109.

14 “(e) A public university listed in ORS 352.002.

15 “(f) A community college, as defined in ORS 341.005.

16 “(g) The Oregon Health and Science University.

17 “(h) A nonprofit, private, post-secondary institution that the Higher Education Coordinating  
18 Commission has authorized to confer academic degrees under ORS 348.594 to 348.615.

19 “(i) A state agency or a private nonprofit institution or organization that has an agreement with  
20 the United States Secretary of Education under section 428(b) of the Higher Education Act of 1965  
21 (20 U.S.C. 1078(b)), solely to the extent of the agency’s, institution’s or organization’s actions as a  
22 guarantor that engages in averting defaults. The exemption set forth in this paragraph does not  
23 extend to the agency’s, institution’s or organization’s actions in servicing a student loan.”.

24 In line 31, delete “(f)” and insert “(j)”.

25 On page 3, after line 6, insert:

26 “(5) The director may waive or modify a requirement set forth in this section if the director  
27 determines that a person’s compliance with the requirement would cause the person to violate fed-  
28 eral law.”.

29 In line 16, delete “, registered agents”.

30 In line 41, after “(4)(a)” insert “Except as provided in paragraph (c) of this subsection,”.

31 On page 4, line 22, after “pardoned” insert “or expunged”.

32 After line 22, insert:

33 “(c)(A) The director shall:

34 “(i) Find that an applicant that services a student loan under a contract with the United States  
35 Secretary of Education under 20 U.S.C. 1087f meets the criteria set forth in paragraph (a) of this

1 subsection without the need to comply with the procedures set forth in subsections (2) and (3) of this  
2 section, except that the applicant must pay the fee required under subsection (3) of this section and  
3 identify a registered agent in this state or appoint the director as the applicant's registered agent;  
4 and

5 "(ii) Issue and renew a license for an applicant that is described in and complies with the pro-  
6 visions of sub-subparagraph (i) of this subparagraph.

7 "(B) Except as otherwise provided in this paragraph, a licensee that obtains a license under this  
8 paragraph is subject to all of the requirements and conditions set forth in sections 1 to 11 of this  
9 2019 Act.

10 "(d) A licensee that obtained a license under paragraph (c) of this subsection shall notify the  
11 director in writing within seven days after the date on which the contract described in paragraph  
12 (c)(A) of this subsection expires or terminates. At the expiration or termination of the contract, the  
13 licensee becomes subject to the criteria set forth in this subsection and subsections (2) and (3) of  
14 this section and, to continue to service a student loan in this state, must meet the criteria within  
15 30 days after the date on which the contract expires or terminates. The director shall suspend the  
16 license of a licensee described in this paragraph that fails to meet the criteria."

17 In line 23, after "(5)(a)" insert "Except as provided in paragraph (c) of this subsection,".

18 After line 28, insert:

19 "(C) Has had a license to service a student loan denied or revoked in another jurisdiction;".

20 In line 29, delete "(C)" and insert "(D)".

21 In line 31, delete "(D)" and insert "(E)".

22 After line 33, insert:

23 "(c) The director may not deny, revoke or decline to renew a license the director issues under  
24 subsection (4)(c) of this section, but the director may place conditions on issuing or renewing the  
25 license."

26 In line 39, after "renewal" insert "30 days".

27 On page 5, line 6, after "section" delete the rest of the line.

28 In line 7, delete "cense to the notice the licensee provides to the director under section 6 of this  
29 2019 Act".

30 In line 25, delete "(1)(a)" and insert "(1)".

31 Delete lines 31 through 36.

32 In line 45, after the semicolon insert "and".

33 On page 6, delete lines 1 and 2.

34 In line 3, delete "(C)" and insert "(B)".

35 Delete lines 5 through 7.

36 In line 20, delete "with which the director filed an inventory under subsection (2)(b)(B) of this  
37 sec-" and insert "in the county in which the licensee's principal place of business in this state is  
38 located".

39 In line 21, delete "tion".

40 On page 8, line 6, after "(1)" insert "Except as otherwise required under federal law, in a federal  
41 student loan agreement or in a contract between the federal government and a person that services  
42 a student loan,".

43 In line 10, after "payments" insert "or notifications of payment".

44 In line 12, after "payment" insert "or notification of payment".

45 After line 18, insert:

1 “(d) Maintain adequate records of each student loan transaction for not less than two years, or  
2 a period otherwise specified by law, after a final payment on a student loan or after the person as-  
3 signs the student loan, whichever occurs first. At the request of the Director of the Department of  
4 Consumer and Business Services and within five days after the request or within the time the di-  
5 rector specifies in the request, the person shall make the records available to the director or send  
6 the records to the director in the manner the director specifies by rule.”.

7 Delete lines 34 through 39 and insert:

8 “(g) Fail to respond within 21 calendar days to a consumer complaint or other communication  
9 from the student loan ombudsman at the Department of Consumer and Business Services, or within  
10 a reasonable time that the student loan ombudsman specifies in the communication. The person may  
11 request in writing that the student loan ombudsman allow not more than 30 additional calendar days  
12 within which to respond if in the request the person explains why the additional time is reasonable  
13 and necessary.

14 “(3) Subsections (1) and (2) of this section do not apply to:

15 “(a) A financial institution, as defined in ORS 706.008.

16 “(b) A financial holding company or bank holding company, both as defined in ORS 706.008, if  
17 the financial holding company or bank holding company does no more than control an affiliate or  
18 subsidiary, as defined in 12 U.S.C. 1841(d), and does not engage in business as a student loan  
19 servicer.

20 “(c) An attorney who is licensed or otherwise authorized to practice law in this state if the at-  
21 torney services a student loan only incidentally in the course of practicing law.

22 “(d) A public body, as defined in ORS 174.109.

23 “(e) A public university listed in ORS 352.002.

24 “(f) A community college, as defined in ORS 341.005.

25 “(g) The Oregon Health and Science University.

26 “(h) A nonprofit, private, post-secondary institution that the Higher Education Coordinating  
27 Commission has authorized to confer academic degrees under ORS 348.594 to 348.615.”.

28 On page 10, line 31, delete “January” and insert “July”.

29 Delete lines 41 through 45 and delete page 11 and insert:

30 **“SECTION 12. (1) As used in this section:**

31 **“(a) ‘Borrower’ has the meaning given that term in section 1 of this 2019 Act.**

32 **“(b) ‘Person’ has the meaning given that term in section 1 of this 2019 Act.**

33 **“(c) ‘Service a student loan’ has the meaning given that term in section 1 of this 2019**  
34 **Act.**

35 **“(d) ‘Student loan’ has the meaning given that term in section 1 of this 2019 Act.**

36 **“(2) The Higher Education Coordinating Commission shall develop and operate a student**  
37 **loan counseling program that targets borrowers who are repaying or soon will repay a stu-**  
38 **dent loan for the purpose of:**

39 **“(a) Informing the borrowers of the rights and responsibilities the borrowers have under**  
40 **the terms of the student loan agreement into which the borrowers have entered;**

41 **“(b) Advising the borrowers concerning how to work with a person that services a stu-**  
42 **dent loan to modify the terms of a student loan agreement; and**

43 **“(c) Assisting the borrowers in avoiding defaults on student loans.**

44 **“(3) At the request of the Director of the Department of Consumer and Business Ser-**  
45 **vices, the commission shall provide the director with information about the program de-**

1 scribed in subsection (1) of this section and about the interactions that persons that service  
2 student loans have with borrowers.

3 “(4) The commission may enter into contracts or agreements with public or private en-  
4 tities for the purpose of carrying out the commission’s duties under this section.

5 “(5) The commission may adopt rules that are reasonably necessary to implement the  
6 provisions of this section.

7 “SECTION 13. In addition to and not in lieu of any other appropriation, there is appro-  
8 priated to the Higher Education Coordinating Commission, for the biennium beginning July  
9 1, 2019, out of the General Fund, the amount of \$\_\_\_\_\_ for the purpose of carrying out the  
10 commission’s functions and duties under section 12 of this 2019 Act.

11 “SECTION 14. Sections 1 to 11 of this 2019 Act apply to actions that a person takes to  
12 service a student loan on or after the operative date specified in section 15 of this 2019 Act.

13 “SECTION 15. (1) Sections 1 to 12 of this 2019 Act become operative on July 1, 2020.

14 “(2) The Director of the Department of Consumer and Business Services and the Higher  
15 Education Coordinating Commission may adopt rules and take any other action before the  
16 operative date specified in subsection (1) of this section that is necessary to enable the di-  
17 rector or the commission, on and after the operative date specified in subsection (1) of this  
18 section, to exercise all of the duties, functions and powers conferred on the director or the  
19 commission by sections 1 to 12 of this 2019 Act.

20 “SECTION 16. This 2019 Act being necessary for the immediate preservation of the public  
21 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect  
22 on its passage.”.

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