

Requested by SENATE COMMITTEE ON JUDICIARY

**PROPOSED AMENDMENTS TO  
SENATE BILL 279**

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

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

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

7 “(C) Interacting with a borrower in order to prevent a default on a stu-  
8 dent loan or to enable the activities described in paragraphs (a) and (b) of  
9 this subsection.”.

10 Delete line 21.

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

12 In line 26, delete “(d)” and insert “(c)”.

13 Delete line 30 and insert:

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

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

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

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

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

21 In line 31, delete “(f)” and insert “(i)”.

1 On page 3, after line 6, insert:

2 “(5) The director may waive or modify a requirement set forth in this  
3 section if the director determines that a person’s compliance with the re-  
4 quirement would cause the person to violate federal law.”.

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

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

7 After line 28, insert:

8 “(C) Has had a license to service a student loan denied or revoked in  
9 another jurisdiction;”.

10 In line 29, delete “(C)” and insert “(D)”.

11 In line 31, delete “(D)” and insert “(E)”.

12 In line 39, after “renewal” insert “30 days”.

13 On page 5, line 6, after “section” delete the rest of the line.

14 In line 7, delete “cense to the notice the licensee provides to the director  
15 under section 6 of this 2019 Act”.

16 In line 25, delete “(1)(a)” and insert “(1)”.

17 Delete lines 31 through 36.

18 On page 8, line 6, after “(1)” insert “Except as otherwise required under  
19 federal law, in a federal student loan agreement or in a contract between the  
20 federal government and a person that services a student loan,”.

21 In line 10, after “payments” insert “or notifications of payment”.

22 In line 12, after “payment” insert “or notification of payment”.

23 After line 18, insert:

24 “(d) Maintain adequate records of each student loan transaction for not  
25 less than two years, or a period otherwise specified by law, after a final  
26 payment on a student loan or after the person assigns the student loan,  
27 whichever occurs first. At the request of the Director of the Department of  
28 Consumer and Business Services and within five days after the request or  
29 within the time the director specifies in the request, the person shall make  
30 the records available to the director or send the records to the director in

1 the manner the director specifies by rule.”.

2 Delete lines 34 through 39 and insert:

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

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

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

12 “(b) A financial holding company or bank holding company, both as de-  
13 fined in ORS 706.008, if the financial holding company or bank holding  
14 company does no more than control an affiliate or subsidiary, as defined in  
15 12 U.S.C. 1841(d), and does not engage in business as a student loan servicer.

16 “(c) An attorney who is licensed or otherwise authorized to practice law  
17 in this state if the attorney:

18 “(A) Services a student loan as an ancillary matter while representing a  
19 client; and

20 “(B) Does not receive compensation from a student loan servicer.

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

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

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

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

25 “(h) A nonprofit, private, post-secondary institution that the Higher Ed-  
26 ucation Coordinating Commission has authorized to confer academic degrees  
27 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 insert:

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

1       “(a) ‘Borrower’ has the meaning given that term in section 1 of this  
2 2019 Act.

3       “(b) ‘Person’ has the meaning given that term in section 1 of this  
4 2019 Act.

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

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

9       “(2) The Higher Education Coordinating Commission shall develop  
10 and operate a student loan counseling program for the purpose of:

11       “(a) Informing borrowers of the rights and responsibilities the bor-  
12 rowers have under the terms of the student loan agreement into which  
13 the borrowers have entered;

14       “(b) Advising borrowers concerning how to work with a person that  
15 services a student loan to modify the terms of a student loan agree-  
16 ment; and

17       “(c) Assisting borrowers in avoiding defaults on student loans.

18       “(3) At the request of the Director of the Department of Consumer  
19 and Business Services, the commission shall provide the director with  
20 information about the program described in subsection (1) of this sec-  
21 tion and about the interactions that persons that service student loans  
22 have with borrowers.

23       “(4) The commission may enter into contracts or agreements with  
24 public or private entities for the purpose of carrying out the  
25 commission’s duties under this section.

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

28       “SECTION 13. In addition to and not in lieu of any other appropri-  
29 ation, there is appropriated to the Higher Education Coordinating  
30 Commission, for the biennium beginning July 1, 2019, out of the Gen-

1 eral Fund, the amount of \$\_\_\_\_\_ for the purpose of carrying out the  
2 commission’s functions and duties under section 12 of this 2019 Act.

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

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

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

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

19 Delete page 11.

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