

SB 1540

Relating to student loan servicers

SB 1540 establishes a comprehensive regulatory program for student loan servicers providing broad financial oversight of certain private, for-profit, non-governmental persons, and entities providing student loan servicing in Oregon.

The measure requires student loan servicers to obtain licensure from the Department of Consumer and Business Services. The license application, renewal procedures, and required fees are to be set by rule. The measure delineates the minimum required duties of a loan servicer, including setting minimum net worth and liquidity requirements and other substantive compliance requirements to obtain and maintain the license. DCBS is granted authority to take control of a failing loan servicer's property, business and assets, or petition a circuit court for receivership. DCBS is also permitted to retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators; and permits DCBS to charge and collect from a loan servicer licensee the costs incurred to conduct examinations. DCBS is required to appoint or designate a student loan ombudsman to receive, review, analyze, and attempt to resolve complaints from borrowers.

Initial costs to stand-up the program prior to the July 1st, 2021 effective date will be funded from monies in the Consumer and Business Services Fund which will be reimbursed with program fees collected.

The Natural Resources Subcommittee recommends SB 1540 be amended by the –A2 amendment and be reported out do pass, as amended.