



COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004

CHRISTINA HENDERSON
Councilmember, At-Large
Chairperson, Committee on Health

Committee Member
Hospital and Health Equity
Judiciary and Public Safety
Transportation and the Environment

Statement of Introduction
The New Student Loan Borrower Bill of Rights Amendment Act of 2023
January 13, 2023

Today, I am proud to introduce the New Student Loan Borrower Bill of Rights Amendment Act of 2023 along with Councilmembers Robert C. White, Jr., Brooke Pinto, Kenyan McDuffie, Brianne K. Nadeau, Matthew Frumin, Janeese Lewis George, and Charles Allen. Far too many District residents are consumed by student loan debt, and the burden of this debt weighs heaviest on minority communities. The federal government in recognition of this fact, has proposed student debt relief to alleviate the burdens that so many people are shouldering.

More than 45 million student loan borrowers collectively owe \$1.75 trillion of student loan debt, making student debt the second largest class of consumer debt in the country. In the District, there are 116,00 student loan borrowers who collectively owe \$7.5 billion in student loan debt, with the average balance exceeding \$55,000. Nearly a quarter of our residents over age 24 have student loan debt. These borrowers owe more than those in any state, carrying typical debt loads \$20,000 higher than the national average.¹

The burden of student debt affects District residents' ability to buy homes, start families, and save for retirement. The District also faces broader challenges attracting and retaining public service workers like teachers, public interest attorneys, and other government experts who often take on high levels of student loan debt, with comparably lower levels of pay.

Within this broader context, racial wealth disparities contribute to higher rates of borrowing for Black and Latino students. Nationally, Black graduates owe \$25,000 more in debt than their white counterparts. Delinquencies and defaults also disproportionately weigh on Black and Latino borrowers. Black borrowers with a bachelor's degree are five times more likely to default on a student loan than white borrowers with the same degree.

The *New Student Loan Borrower Bill of Rights Amendment Act* would build upon legislation introduced in Council Period 23 ([B23-697](#)) to address debt issues by:

¹ 2021 statistics provided by the Student Borrower Protection Center

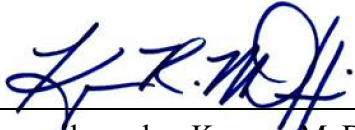


COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004

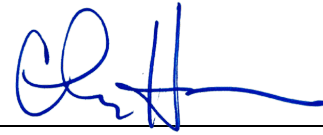
- **Adding affirmative protections for student loan borrowers.** This bill grants additional protections to student loan borrowers in the District, ensuring borrowers receive answers to inquiries submitted to their servicers and notice when loans are transferred or sold to another servicer, improving avenues for cosigner release, and discharging debt for total and permanent disability.
- **Prohibiting unfair, deceptive, or abusive acts and practices.** The District already prohibits debt collectors, auto lenders, and other consumer finance companies from misleading, deceiving, or causing harm to consumers. This legislation expands the same protections to student loan servicers operating in the District.
- **Adding a private right of action.** This legislation incorporates the private right of action offered under existing DC consumer protection law, extending the same right to relief for student loan borrowers.

I was happy that this bill received a hearing during Council Period 24 when I first introduced it in 2021. The responses spoke to the importance of the protections that would be extended to borrowers with the passage of this bill.

I look forward to working with my colleagues on the Council and providing student loan borrowers across the District with these critical consumer protections.

1 

2 Councilmember Kenyan McDuffie



Councilmember Christina Henderson

3
4 

5
6 Councilmember Robert C. White, Jr.



Councilmember Janeese Lewis George

7
8 

9
10 Councilmember Charles Allen



Councilmember Matthew Frumin

11
12 

13
14 Councilmember Brooke Pinto



Councilmember Brianne K. Nadeau

15
16
17 A BILL

18
19
20 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

21
22
23
24 To amend the Department of Insurance and Securities Regulation Establishment Act of 1996 to
25 prevent abusive acts or practices on the part of student loan servicers, to clarify that
26 student loan servicers under contract with the United States Department of Education
27 shall automatically be issued a limited student loan servicing license upon meeting
28 certain criteria, to clarify denials of applications for approval, to proscribe prohibited
29 conduct on the part of student loan servicers, to assign affirmative duties to student loan
30 servicers, to assign the Attorney General of the District of Columbia the power to enforce
31 the Act, to establish responsibilities of private education lenders regarding disability
32 discharge and cosigner release, to transfer the Student Loan Ombudsperson from the
33 Department of Insurance, Securities and Banking to the Office of the Attorney General
34 for the District of Columbia, and require the creation of a revised Student Loan Borrower
35 Bill of Rights by October 1, 2024.

36
37 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
38 act may be cited as the “New Student Loan Borrower Bill of Rights Amendment Act of 2023”.

39 Sec. 2. The Department of Insurance and Securities Regulation Establishment Act of
40 1996, effective May 21, 1997 (D.C. Law 11-268; D.C. Official Code § 31-101 *et seq.*), is
41 amended as follows:

42 (a) Section 2 (D.C. Official Code § 31-101) is amended as follows:

43 (1) A new paragraph (1A) is added to read as follows:

44 “(1A) “Abusive act or practice” means an act or practice that:

45 “(A) Materially interferes with the ability of a student loan borrower to
46 understand a term or condition of a student education loan;

47 “(B) Takes unreasonable advantage of:

48 “(i) A lack of understanding on the part of a student loan borrower
49 of the material risks, costs, or conditions of a student loan;

50 “(ii) The inability of a student loan borrower to protect the interests
51 of the borrower when selecting or using either of the following:

52 “(I) A student education loan; or

53 “(II) A feature, term, or condition of a student education
54 loan; or

55 “(iii) The reasonable reliance by the student loan borrower on a
56 person engaged in servicing a student education loan to act in the interests of the borrower; or

57 “(C) Misrepresents the amount, nature, or terms of any fee or payment due
58 or claimed to be due on a student education loan, the terms and conditions of the student
59 education loan agreement or the borrower's obligations under the student education loan.”

60 (2) A new paragraph (2A) is added to read as follows:

61 “(2A) “Cosigner” means an individual who is liable for the obligation of a student
62 loan borrower without compensation, regardless of how the individual is designated in the
63 contract or instrument with respect to that obligation, including an obligation under a private
64 education loan extended to consolidate a student loan borrower’s pre-existing student loans and
65 shall include an individual whose signature is requested as a condition to grant credit or to
66 forbear on collection, but shall not include a spouse of a student loan borrower, the signature of
67 whom is needed to perfect the security interest in a loan.”.

68 (3) Paragraph (6B) is amended to read as follows:

69 “(6B) “Ombudsperson” means the position of Student Loan Ombudsperson
70 established within the Office of the Attorney General by section 108g of the Attorney General
71 for the District of Columbia Certification and Elected Term Amendment Act of 2010, as
72 introduced on **January X, 2023** (B25-_____).”.

73 (4) New paragraphs (6C), (6D), (6E), (6F), and (6G) are added to read as follows:

74 “(6C) “Overpayment” means a payment on a student education loan in excess of
75 the monthly amount due from the student loan borrower on a student education loan.

76 “(6D) “Partial payment” or “underpayment” means a payment on a student
77 education loan account that contains multiple individual loans in an amount less than the amount
78 necessary to satisfy the outstanding payment due on all loans in the student education loan
79 account.

80 “(6E) “Private education loan” means an extension of credit that:

81 “(A) Is not made, insured, or guaranteed under Title IV of the Higher
82 Education Act of 1965 (20 U.S.C. § 1070 *et seq.*);

83 “(B) Is extended to a consumer expressly, in whole or in part, for
84 postsecondary education expenses, regardless of whether the loan is provided by the educational
85 institution that the student attends;

86 “(C) Shall not include open-end credit or any loan that is secured by real
87 property or a dwelling; and

88 “(D) Shall not include an extension of credit in which the covered
89 educational institution is the creditor if:

90 “(i) The term is 90 days or less; or

91 “(ii) An interest rate shall not be applied to the credit balance and
92 the term of the extension of credit is one year or less, even if the credit is payable in more than 4
93 installments.

94 “(6F) “Postsecondary education expense” means an expense related to enrollment
95 in or attendance at a postsecondary education institution, as defined in section 201 of the
96 Education Licensure Commission Act of 1976, effective April 6, 1977 (D.C. Law 1-104; D.C.
97 Official Code § 38-1302(12)), regardless of whether the debt incurred by a student to pay those
98 expenses is owed to the provider of postsecondary education whose school, program, or facility
99 the student attends.

100 “(6G) “Private education lender” means a person engaged in the business of
101 securing, making, or extending private education loans, or a holder of a private education loan,
102 but shall not include the following persons to the extent preempted by federal law:

103 “(A) A bank of credit union;

104 “(B) A wholly owned subsidiary of a bank or credit union; and

105 “(C) An operating subsidiary of a bank or credit union where each owner
106 of the operating subsidiary is wholly owned by the same bank or credit union.”.

107 (5) Paragraph (9) is amended to read as follows:

108 “(9) “Student loan borrower” means a resident of the District of Columbia who
109 has received or agreed to pay a student education loan used to fund his or her own postsecondary
110 education.”.

111 (6) A new paragraph (13) is added to read as follows:

112 “(13) “Total and permanent disability” is the condition of an individual who:

113 “(A) Has been determined by the United State Secretary of Veterans
114 Affairs to be unemployable due to a service-connected disability; or

115 “(B) Is unable to engage in any substantial gainful activity by reason of
116 any medically determinable physical or mental impairment that can be expected to result in
117 death, has lasted for a continuous period of not less than 12 months, or can be expected to last for
118 a continuous period of not less than 12 months.”.

119 (b) Section 7a (D.C. Official Code § 31-106.01) is repealed.

120 (c) Section 7b (D.C. Official Code § 31-106.02) is amended as follows:

121 (1) Subsection (c) is amended as follows:

122 (A) Paragraph (1)(B) is amended by striking the phrase “Application fees
123 and other fees” and inserting the phrase “Application fees, investigation fees, and other fees” in
124 its place.

125 (B) A new paragraph (3) is added to read as as follows:

126 “(3) The Commissioner shall automatically issue a limited, irrevocable license to
127 any person servicing a student education loan under contract with the United States Department
128 of Education as follows:

129 “(A) Any person seeking to act within the District of Columbia as a
130 student loan servicer is exempt from the application procedures established pursuant to this
131 subsection, other than the requirements of paragraphs (1)(B) and (1)(D) of this subsection, to the
132 extent that the student loan servicing performed is conducted pursuant to a contract awarded by
133 the United States Secretary of Education under 20 U.S.C. § 1087f. The procedure to document
134 eligibility for the exemption shall be prescribed by the Commissioner.

135 “(B) Any person meeting the criteria set forth in subparagraph (A) of this
136 paragraph shall be issued a license by the Commissioner for the student loan servicing of student
137 education loans under contract with the United States Department of Education and shall be
138 considered by the Commissioner to have met all requirements established by subparagraphs
139 (1)(A) and (C) of this subsection.

140 “(C) The provisions of subsection (h) of this section shall not apply to a
141 person issued a limited license pursuant to this section to the extent that the person is servicing
142 federal student education loans.

143 “(D) Any person issued a license pursuant to this section shall provide the
144 Commissioner with written notice within 7 days following the notification of the expiration,
145 revocation, or termination of any contract awarded by the United States Secretary of Education
146 under 20 U.S.C § 1087f. Thereafter, the person shall have 30 days to satisfy all requirements
147 established under this act in order to continue to act within the District of Columbia as a student
148 loan servicer for federal student education loans. At the expiration of the 30-day period, if the

149 person has not satisfied the requirements established pursuant to this act, the Commissioner shall
150 immediately suspend any license granted under this section.

151 “(E) In the case of student loan servicing that is not conducted pursuant to
152 a contract awarded by the United States Secretary of Education under 20 U.S.C. § 1087f, nothing
153 in this section shall prevent the Commissioner from issuing an order to temporarily or
154 permanently prohibit any person from acting as a student loan servicer.

155 “(F) In the case of student loan servicing conducted pursuant to a contract
156 awarded by the United States Secretary of Education under 20 U.S.C § 1087f, nothing in this
157 section shall prevent the commissioner from issuing a cease-and-desist order or injunction
158 against any student loan servicer to cease activities in violation of this act or D.C. Official Code
159 § 28-3901 *et seq.*”.

160 (2) Subsection (g)(1)(C) is amended by striking “The Commissioner may deny an
161 application for renewal” and inserting “Except as provided for under subsection (c)(3) of this
162 section, the Commissioner may deny an application for renewal” in its place.

163 (d) New sections 7b-1, 7b-2, 7b-3, 7b-4, and 7b-5 are added to read as follows:

164 “Sec. 7b-1. Prohibited Conduct – Student Loan Servicers.

165 “(a) No student loan servicer shall:

166 “(1) Directly or indirectly employ any scheme, device, or artifice to defraud or
167 mislead student loan borrowers;

168 “(2) Engage in any unfair or deceptive practice toward any person or misrepresent
169 or omit any material information in connection with the servicing of a student education loan,
170 including abusive acts and practices;

171 “(3) Obtain property by fraud or misrepresentation;

172 “(4) Misapply student education loan payments to the outstanding balance of a
173 student education loan;

174 “(5) Provide inaccurate information to a credit bureau, thereby harming a student
175 loan borrower's creditworthiness;

176 “(6) Fail to report both the favorable and unfavorable payment history of the
177 student loan borrower to a nationally recognized consumer credit bureau at least annually if the
178 student loan servicer regularly reports information to a credit bureau;

179 “(7) Refuse to communicate with an authorized representative of the student loan
180 borrower who provides a written authorization signed by the student loan borrower, provided the
181 student loan servicer may adopt procedures reasonably related to verifying that the representative
182 is in fact authorized to act on behalf of the student loan borrower;

183 “(8) Make any false statement or make any omission of a material fact in
184 connection with any information or reports filed with a governmental agency or in connection
185 with any investigation conducted by the Commissioner or another governmental agency;

186 “(9) Fail to respond within 15 business days to communications from the
187 Department of Insurance, Securities and Banking, or within such shorter, reasonable period of
188 time as may be requested by the Department; or

189 “(10) Fail to respond within 15 business days to a consumer complaint submitted
190 to the student loan servicer by the Department or Office of the Attorney General. If necessary,
191 the student loan servicer may request additional time to respond to the complaint, up to a
192 maximum of 45 business days, provided that the request is accompanied by an explanation on
193 why additional time is reasonable and necessary.

194 “Sec. 7b-2. Affirmative Duties – Student Loan Servicers.

195 “(a) Except as otherwise provided pursuant to federal law, a student loan servicer shall:

196 “(1) Respond to any written inquiry from a student loan borrower or the

197 representative of a student loan borrower by:

198 “(A) Acknowledging receipt of the inquiry within 10 business days; and

199 “(B) Providing information relating to the inquiry, and, if applicable, the

200 action the student loan servicer will take to correct the account, or an explanation of the student

201 loan servicer's position that the borrower's account is correct, within 30 business days, including

202 copies of all information and account information used by the student loan servicer in reaching

203 the determination.

204 “(2) Inquire of a student loan borrower on how to apply an overpayment to a

205 student education loan. A borrower's instruction on how to apply an overpayment to a student

206 education loan shall stay in effect for any future overpayments during the term of the student

207 education loan until the borrower provides different instructions.

208 “(3) In the absence of direction provided by a borrower pursuant to paragraph (2)

209 of this subsection, allocate an overpayment on a student loan account in a manner that reduces

210 the total cost of the student loan, including principal and balance, interest, and fees. A student

211 loan servicer shall be considered to meet the requirements of this paragraph if the servicer

212 allocates the overpayment to the loan with the highest interest rate on the borrower’s student loan

213 account, unless the borrower specifies otherwise.

214 “(4) In the absence of a direction provided by a borrower pursuant to paragraph

215 (2) of this subsection, apply partial payments in a manner that minimizes late fees and negative

216 credit reporting. If there are multiple loans on a student loan borrower’s account with an equal

217 stage of delinquency, a student loan servicer shall apply the partial payment in a way that
218 satisfies as many individual loan payments as possible on a borrower's account.

219 “(b) The following requirements shall be applicable to a student loan servicer in the event
220 of the sale, assignment, or other transfer of the servicing of a student education loan that results
221 in a change in the identity of the student loan servicer to whom a student loan borrower is
222 required to send payments or direct any communication concerning the student education loan:

223 “(1) As a condition of a sale, an assignment, or any other transfer of the servicing
224 of a student education loan, a student loan servicer shall require the new student loan servicer to
225 honor all benefits originally represented as available to a student loan borrower during the
226 repayment of the student education loan and preserve the availability of those benefits, including
227 any benefits for which the student loan borrower has not yet qualified. If a student loan servicer
228 is not also the loan holder or is not acting on behalf of the loan holder, the student loan
229 servicer satisfies the requirement established by this paragraph by providing the new student
230 loan servicer with information necessary for the new student loan servicer to honor all
231 benefits originally represented as available to a student loan borrower during the repayment
232 of the student education loan and preserve the availability of the benefits, including any
233 benefits for which the student loan borrower has not yet qualified;

234 “(2) A student loan servicer shall transfer to the new student loan servicer for the
235 student education loan all information regarding the student loan borrower, the account of the
236 borrower, and the student education loan of the borrower. The information shall include the
237 repayment status of the student loan borrower and any benefits associated with the student
238 education loan of the borrower; and

239 “(3) The student loan servicer shall complete the transfer of information required
240 pursuant to section 7b-2(b)(2) within 45 calendar days after the sale, assignment, or other
241 transfer of the servicing of the student education loan.

242 “(4) The transferring student loan servicer shall notify affected student loan
243 borrowers of the sale, assignment, or other transfer of the servicing of the student loan at least 7
244 days before the next payment on the loan is due. The notice must include:

245 “(A) The identity of the new student loan servicer;

246 “(B) The effective date of the transfer of the student loan borrower’s
247 student loan to the new student loan servicer;

248 “(C) The date on which the existing student loan servicer will no longer
249 accept payments; and

250 “(D) The contact information for the new student loan servicer.

251 “(c) A student loan servicer who obtains the right to service a student education loan shall
252 adopt policies and procedures to verify that the student loan servicer has received all information
253 regarding the student loan borrower, the account of the student loan borrower, and the student
254 education loan of the student loan borrower including, but not limited to, the repayment status of
255 the student loan borrower and any benefits associated with the student education loan of the
256 student loan borrower.

257 “(d) A student loan servicer shall evaluate a student loan borrower for eligibility for an
258 income-driven repayment program prior to placing the borrower in forbearance or default, if an
259 income-driven repayment program is available to the borrower.

260 “Sec. 7b-3. Prohibited Acts – Private Education Lenders.

261 “(a)(1) A private education loan executed after the effective date of this act shall not
262 include a provision that permits the private education lender to accelerate, in whole or in part,
263 payments on the private education loan, except in cases of payment default, or place any loan or
264 account into default or accelerate a loan for any reason, other than for payment default.

265 “(2) A private education loan executed prior to the effective date of this act shall
266 permit the private education lender to accelerate payments only if the promissory note or loan
267 agreement explicitly authorizes an acceleration and only for the reasons stated in the note or
268 agreement.

269 “(3) In the event of the death of a cosigner, the lender shall not attempt to collect
270 against the cosigner’s estate, other than for payment default.

271 “(4) Upon receiving notification of the death or bankruptcy of a cosigner, when
272 the loan is not more than 60 days delinquent at the time of the notification, the private education
273 lender shall not change any terms or benefits under the promissory note, repayment schedule,
274 repayment terms, or monthly payment amount or any other provision associated with the loan.

275 “(5) A private education lender shall not place any loan or account into default or
276 accelerate a loan while a borrower is seeking a loan modification or enrollment in a flexible
277 repayment plan, except that a private education lender may place a loan or account into default
278 or accelerate a loan for payment default 90 days after the borrower’s default.

279 “(b) A private education lender shall not:

280 “(1) Directly or indirectly employ any scheme, device, or artifice to defraud or
281 mislead a student loan borrower;

282 “(2) Engage in any unfair or deceptive practice toward any person or misrepresent
283 or omit any material information in connection with the servicing of a private education loan,
284 including, abusive acts and practices;

285 “(3) Obtain property by fraud or misrepresentation;

286 “(4) Misapply private education loan payments to the outstanding balance of a
287 private education loan;

288 “(5) Provide inaccurate information to a credit bureau, thereby harming a student
289 loan borrower’s creditworthiness;

290 “(6) Fail to report both the favorable and unfavorable payment history of the
291 student loan borrower to a nationally recognized consumer credit bureau at least annually if the
292 private education lender regularly reports information to a credit bureau;

293 “(7) Refuse to communicate with an authorized representative of the student loan
294 borrower who provides a written authorization signed by the student loan borrower, provided the
295 private education lender may adopt procedures reasonably related to verifying that the
296 representative is in fact authorized to act on behalf of the student loan borrower;

297 “(8) Make any false statement or make any omission of a material fact in
298 connection with any information or reports filed with a governmental agency or in connection
299 with any investigation conducted by the Commissioner or another governmental agency;

300 “(9) Fail to respond within 15 business days to communications from the Office
301 of the Attorney General, or within such shorter, reasonable period of time as may be requested
302 by the Attorney General; or

303 “(10) Fail to respond within 15 business days to a consumer complaint transmitted
304 to the private education lender by the Office of the Attorney General. If necessary, the private

305 education lender may be granted additional time to respond to the complaint, up to a maximum
306 of 45 business days, if the request is determined to be reasonable and necessary by the Office of
307 the Attorney General.

308 “Sec. 7b-4. Affirmative Duties – Private Education Lenders.

309 “(a) For private education loans issued on or after the effective date of this act:

310 “(1) A private education lender or student loan servicer acting on behalf of a
311 private education lender, when notified of the total and permanent disability of a borrower or
312 cosigner, shall release any cosigner from the obligations under a private education loan. The
313 private education lender shall not attempt to collect a payment from a cosigner after being
314 notified of the total and permanent disability of the cosigner or borrower.

315 “(2) A private education lender shall notify a borrower and cosigner for a private
316 education loan if either a cosigner or borrower is released from the obligations of the private
317 education loan under this subsection, within 30 days of the release.

318 “(3) Any private education lender that extends a private education loan shall
319 provide the borrower an option to designate an individual to have the legal authority to act on
320 behalf of the borrower with respect to the private education loan in the event of the total and
321 permanent disability of the borrower.

322 “(4) In the event a cosigner is released from the obligations of a private education
323 loan pursuant to paragraph (1) of this subsection, the lender shall not require the borrower to
324 obtain another cosigner on the loan obligation.

325 “(5) A lender shall not declare a default or accelerate the debt against the
326 borrower on the sole basis of the release of the cosigner from the loan obligation.

327 “(6) A lender shall, when notified of the total and permanent disability of a
328 borrower, discharge the liability of the borrower and cosigner on the loan.

329 “(7) After receiving a notification described in paragraph (1) of this subsection,
330 the lender shall not attempt to collect on the outstanding liability of the borrower or cosigner or
331 monitor the disability status of the borrower at any point after the date of discharge.

332 “(b) Availability of alternative repayment plans.

333 “(1) If a private education lender offers a student loan borrower flexible or
334 modified repayment options in connection with a private education loan, those flexible
335 repayment options shall be made available to all borrowers and the private education lender
336 shall:

337 “(A) Provide on its website a description of any alternative repayment
338 options offered by the lender for private education loans; and

339 “(B) Establish policies and procedures to facilitate evaluation of private
340 education loan flexible repayment option requests, including providing accurate information
341 regarding any private education loan alternative repayment options that may be available to the
342 borrower through the promissory note or that may have been marketed to the borrower through
343 marketing materials.

344 “(2) A private education lender or a student loan servicer acting on behalf of a
345 private education lender shall consistently present and offer flexible or modified private
346 education loan repayment options to borrowers with similar financial circumstances, if the lender
347 offers such repayment options.

348 “(c)(1) Prior to the extension of a private education loan that requires a cosigner, a private
349 education lender shall deliver the following information to the cosigner:

350 “(A) How the private education loan obligation shall appear on the
351 cosigner’s credit;

352 “(B) How the cosigner shall be notified if the private education loan
353 becomes delinquent, including how the cosigner can cure the delinquency in order to avoid
354 negative credit furnishing and loss of cosigner release eligibility; and

355 “(C) Eligibility for release of the cosigner’s obligation on the private
356 education loan, including the number of on-time payments and any other criteria required to
357 approve the release of cosigner from the loan obligation.

358 “(2) Prior to offering a person a private education loan that is being used to
359 refinance an existing education loan, a private education lender shall provide the person a
360 disclosure that benefits and protections applicable to the existing loan may be lost due to the
361 refinancing.

362 “(3) The information provided pursuant to this section shall be provided on a one-
363 page information sheet in a 12-point font and shall be written in simple, clear, understandable
364 and easily readable language as provided in the Plain Writing Act of 2010 (5 U.S.C. § 301 note;
365 P.L. 111-274).

366 “(d) Cosigner Release.

367 “(1) For any private education loan that obligates a cosigner, a private education
368 lender shall provide the borrower and the cosigner an annual written notice containing
369 information about cosigner release, including the administrative, objective criteria the private
370 education lender requires to approve the release of the cosigner from the loan obligation and the
371 process for applying for cosigner release.

372 “(2) If the borrower has met the applicable requirements to be eligible for
373 cosigner release, the private education lender shall send the borrower and the cosigner a written
374 notification by mail and by electronic mail, where a borrower or cosigner has elected to receive
375 electronic communications from the private education lender, informing the borrower and
376 cosigner that the requirements to be eligible for cosigner release have been met. The notification
377 shall also include information about any additional criteria to qualify for cosigner release, and
378 the procedure to apply for cosigner release.

379 “(3) A private education lender shall provide written notice to a borrower who
380 applies for cosigner release, but whose application is incomplete. The written notice shall include
381 a description of the information needed to consider the application complete and the date by
382 which the applicant shall furnish the missing information.

383 “(4) Within 30 days after a borrower submits a completed application for cosigner
384 release, the private education lender shall send the borrower and cosigner a written notice that
385 informs the borrower and cosigner whether the cosigner release application has been approved or
386 denied. If the private education lender denies a request for cosigner release, the borrower may
387 request any documents or information used in the determination, including, but not limited to,
388 the credit score threshold used by the private education lender, the borrower’s consumer report,
389 the borrower’s credit score, and any other documents specific to the borrower. The private
390 education lender shall also provide any adverse action notices required under applicable federal
391 law if the denial is based in whole or in part on any information contained in a consumer report.

392 “(5) In response to a written or oral request for cosigner release, a private
393 education lender shall provide the information described in paragraph (1) of this subsection.

394 “(6) A private education lender shall not impose any restriction that permanently
395 bars a borrower from qualifying for cosigner release, including restricting the number of times a
396 borrower may apply for cosigner release.

397 “(7) A private education lender shall not impose any negative consequences on
398 any borrower or cosigner during the 60 days following the issuance of the notice required
399 pursuant to paragraph (3) of this subsection, or until the private education lender makes a final
400 determination about a borrower’s cosigner release application. For the purpose of this subsection,
401 “negative consequences” includes the imposition of additional eligibility criteria, negative credit
402 reporting, lost eligibility for cosigner release, late fees, interest capitalization, or other financial
403 penalty.

404 “(8) A private education lender shall not require greater than 12 consecutive, on-
405 time payments as a requirement for cosigner release. Any borrower who has paid the equivalent
406 of 12 months of principal and interest payments within any 12-month period shall be considered
407 to have satisfied a consecutive, on-time payment requirement, even if the borrower has not made
408 payments monthly during the 12-month period.

409 “(9) If a borrower or cosigner requests a change in terms that restarts the counting
410 of consecutive, on-time payments required for cosigner release, the private education lender shall
411 notify the borrower and cosigner in writing of the impact of the change and provide the borrower
412 or cosigner the right to withdraw or reverse the request to avoid that impact.

413 “(10) A borrower shall have the right to request a reconsideration of a private
414 education lender’s denial of a request for cosigner release, and the private education lender shall
415 permit the borrower to submit additional documentation evidencing the borrower’s ability to

416 meet the payment obligations. The borrower may request review of the cosigner release
417 determination by a different employee than the employee making the original determination.

418 “(11) A private education lender shall establish and maintain a comprehensive
419 record management system reasonably designed to ensure the accuracy, integrity, and
420 completeness of data and other information about cosigner release applications and compliance
421 with applicable District and federal laws, including but not limited to the Equal Credit
422 Opportunity Act (15 U.S.C. § 1691 *et seq.*) and the Fair Credit Reporting Act (15 U.S.C. § 1681
423 *et seq.*). This system shall include the number of cosigner release applications received, the
424 approval and denial rate, and the primary reasons for any denial.

425 “(e) Information Available to Cosigner.

426 “(A) A private education lender shall provide a cosigner with access to all
427 documents or records related to the cosigned private education loan that are available to the
428 borrower.

429 “(B) If a private education lender provides electronic access to documents and
430 records for a borrower, it shall provide equivalent electronic access to the cosigner.

431 “(C) Upon written notice from the borrower or cosigner, the private education
432 lender may redact or withhold contact information for the borrower and cosigner.

433 “Sec. 7b-5. Enforcement.

434 “(a) In addition to complying with the requirements of this act, a student loan servicer
435 shall comply with all applicable federal laws relating to student loan servicing, as from time to
436 time amended, and the regulations promulgated thereunder.

437 “(b)(1) A violation of section 7b-1 or 7b-3 is an unfair or deceptive trade practice
438 pursuant to D.C. Official Code § 28-3901 *et seq.*

439 “(c) Any person who suffers damage as a result of the failure of a student loan servicer or
440 private education lender to comply with sections 7b, 7b-1, 7b-2, 7b-3, 7b-4, or 7b-5(a) may bring
441 an action on their own behalf and on behalf of a similarly situated class of consumers against that
442 student loan servicer or private education lender to recover or obtain any of the following:

443 “(1) Actual damages, but in no case, shall the total award of damages be less than
444 five hundred dollars (\$500) per plaintiff, per violation;

445 “(2) An order enjoining the methods, acts, or practices;

446 “(3) Restitution of property;

447 “(4) Punitive damages;

448 “(5) Attorney’s fees; or

449 “(6) Any other relief that the court deems proper.

450 “(d) In addition to any other remedies provided by this section or otherwise provided by
451 law, whenever it is proven by a preponderance of the evidence that a student loan servicer or
452 private education lender has engaged in conduct that substantially interferes with a borrower’s
453 right to an alternative payment arrangement; loan forgiveness, cancellation, or discharge; or any
454 other financial benefit as established under the terms of a borrower’s promissory note or under
455 the Higher Education Act of 1965 (20 U.S.C. § 1070a *et seq.*), as from time to time amended,
456 and the regulations promulgated thereunder, the court shall award treble actual damages to the
457 plaintiff, but in no case shall the award of damages be less than \$1,500 per violation.

458 “(e) The remedies provided in this section are not the exclusive remedies available to a
459 student loan borrower or cosigner, nor must the student loan borrower exhaust any administrative
460 remedies provided in this section or any other applicable law before proceeding pursuant to this
461 section.

462 “(f) The Attorney General may bring an action to restrain any violation of sections 7b,
463 7b-1, 7b-2, 7b-3, 7b-4 or 7b-5(a) or any continuance of any such violation.

464 “(g) The Department shall share information on a quarterly basis related to the
465 implementation, execution, and enforcement of sections 7b, 7b-1, 7b-2, 7b-3, 7b-4 and 7b-5(a)
466 with the Office of the Attorney General, and the Student Loan Ombudsperson established
467 pursuant to section 108g of the Attorney General for the District of Columbia Certification and
468 Elected Term Amendment Act of 2010, as introduced on **January, X 2023** (B25-____).”.

469 (e) Section 7c is amended by striking the phrase “sections 7a and 7b.” and inserting
470 “sections 7b, 7b-1, 7b-2, 7b-3, 7b-4 and 7b-5(a).” in its place.

471 Sec. 3. The Attorney General for the District of Columbia Certification and Elected Term
472 Amendment Act of 2010, effective May 27, 2010 (D.C. Law 18-160; D.C. Official Code § 1-
473 301.81 *et seq.*) is amended by inserting a new section 108g as follows:

474 “Student Loan Ombudsperson.

475 “(a) There is established within the Office of the Attorney General for the District of
476 Columbia the position of the Student Loan Ombudsperson (“Ombudsperson”).

477 “(b)(1) The Ombudsperson shall be:

478 “(A) Appointed by the Attorney General;

479 “(B) A District resident within 180 days of appointment; and

480 “(C) Experienced in consumer finance, including student loan servicing
481 and debt collection.

482 “(2) If a vacancy in the position of Ombudsperson occurs as a consequence of
483 removal, resignation, disability, death, or other reason, the Attorney General shall appoint an
484 Ombudsperson to fill the vacancy within 90 days of the occurrence of the vacancy.

485 “(c) The Ombudsperson, in consultation with the Attorney General and Commissioner of
486 the Department of Insurance, Securities, and Banking, shall:

487 “(1) Assist in the enforcement of the provisions of section 7b, 7b-1, 7b-2, 7b-3,
488 7b-4 and 7b-5(a) of the Department of Insurance and Securities Regulation Establishment Act of
489 1996, effective May 21, 1997 (D.C. Law 11-268; D.C. Official Code § 31-101 *et seq.*), including
490 the referral of actions to the Attorney General for the enforcement of an order of the
491 Commissioner of the Department of Insurance, Securities, and Banking pursuant to section 7b,
492 7b-1, 7b-2, 7b-3, 7b-4 and 7b-5(a) of the Department of Insurance and Securities Regulation
493 Establishment Act of 1996, effective May 21, 1997 (D.C. Law 11-268; D.C. Official Code § 31-
494 101 *et seq.*) or other authority of the Commissioner of the Department of Insurance, Securities,
495 and Banking related to a licensee or a person required to have a license under the act;

496 “(2) Receive, review, and attempt to resolve any complaints from a student loan
497 borrower as defined by section 2(9) of the Department of Insurance and Securities Regulation
498 Establishment Act of 1996, including attempts to resolve such complaints in collaboration with
499 student loan servicers, and any other participants in student-loan lending , including those
500 entities engaging student loan borrowers about existing student debt;

501 “(3) Compile and analyze data on student loan borrower and cosigner complaints;

502 “(4) Develop and provide information to assist student loan borrowers in
503 understanding their rights and responsibilities under the terms of the student loan borrower's
504 student education loan;

505 “(5) Monitor the actions that student loan servicers take to ensure that student
506 loan borrowers are informed of their rights and responsibilities under the terms of the student
507 loan borrower's student education loan in a transparent, accessible, and timely manner;

508 “(6) Make recommendations to the Attorney General and Commissioner of the
509 Department of Insurance, Securities, and Banking for resolving problems and concerns of
510 student loan borrowers;

511 “(7) Analyze and monitor the development and implementation of federal and
512 local laws, regulations, and policies relating to student loan borrowers;

513 “(8) Upon the request and written consent of a student loan borrower, review the
514 student education loan history of the student loan borrower; provided, that the student loan
515 borrower has provided documentation of the student loan borrower's student education loan
516 history;

517 “(9) By October 1, 2023, establish, publicize, and maintain an education course to
518 assist student loan borrowers in understanding their student education loans, which shall include:

519 “(A) Educational presentations;

520 “(B) Explanations of key loan terms;

521 “(C) Documentation requirements;

522 “(D) Monthly payment obligations, including:

523 “(i) Income-based repayment options;

524 “(ii) Loan forgiveness; and

525 “(iii) Disclosure requirements; and

526 “(E) Other educational materials that the Attorney General or
527 Commissioner of the Department of Insurance, Securities, and Banking considers necessary or
528 appropriate;

529 “(10) By October 1, 2023, develop a consumer-facing student loan borrower bill
530 of rights, to be made available on the website of the Office of the Attorney General;

531 “(11) Take any other action required by the Attorney General or Commissioner.

532 “(d) Beginning March 1, 2025, and by March 1 of each year thereafter, the Attorney
533 General shall submit an annual report to the Mayor and the Council on the Ombudsperson's
534 activities, as required or authorized by this section, of the previous year, which shall include the
535 number of educational presentations held across the city, the number of residents in attendance
536 for the educational presentations, and the number of complaints received and the action taken to
537 resolve the complaints.

538 “(e) The Ombudsperson shall not:

539 “(1) Disclose personally identifiable information regarding a student loan
540 borrower without the written consent of the student loan borrower;

541 “(2) Disclose the identity of a person who brings a complaint or provides
542 information to the Ombudsperson without the person's consent, unless the Attorney General
543 determines that disclosure is necessary to further the resolution of a complaint or an
544 investigation;

545 “(3) Provide legal advice or legal representation; or

546 “(4) Be held personally liable for the good-faith performance of his or her
547 responsibilities or duties under this section or rules issued pursuant to this section; except, that no
548 immunity shall extend to criminal acts, or other acts that violate District or federal law.”

549 “(f) The Attorney General for the District of Columbia, pursuant to section 2-501 *et seq.*
550 may issue rules to implement section 108g of the Attorney General for the District of Columbia
551 Certification and Elected Term Amendment Act of 2010, as introduced on March 29, 2021 (B24-
552 _____).”.

553 Sec. 4. Fiscal impact statement.

554 The Council adopts the fiscal impact statement in the committee report as the fiscal
555 Impact statement required by section 602(c)(3) of the District of Columbia Home Rule
556 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

557 Sec. 5. Effective date.

558 This act shall take effect following approval by the Mayor (or in the event of veto by the
559 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
560 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
561 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
562 Columbia Register.

563