ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Department of Insurance and Securities Regulation Establishment Act of 1996 to prevent abusive acts or practices related to student education loans and private education loans, require the creation of a revised Student Loan Borrower Bill of Rights by January 1, 2025, clarify that student loan servicers under contract with the United States Department of Education shall be automatically issued a limited student loan servicing license upon meeting certain criteria, clarify the rights and obligations regarding denials of applications for approval, prescribe prohibited conduct on the part of student loan servicers and private education lenders, assign duties to student loan servicers and private education lenders, establish responsibilities of private education lenders regarding disability discharge and cosigner release, authorize the Attorney General to bring an action for a violation of certain provisions, and make a conforming amendment.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "New Student Loan Borrower Bill of Rights Amendment Act of 2024".

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

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

(1) Paragraph (1) is redesignated as paragraph (1A).

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

"(1) "Abusive act or practice" means an act or practice that:

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

"(B) Takes unreasonable advantage of:

"(i) A lack of understanding on the part of a student loan borrower of the material risks, costs, or conditions of a student education loan or private education loan;

"(ii) The inability of a student loan borrower to protect the interests of the student loan borrower when selecting or using:

"(I) A student education loan or private education loan; or

"(II) A feature, term, or condition of a student education loan or private education loan; or

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

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

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

"(2A)(A) "Cosigner" means an individual who is liable for the obligation of a student loan borrower without compensation, regardless of how the individual is designated in the contract or instrument with respect to that obligation, including an obligation under a private education loan extended to consolidate a student loan borrower's pre-existing student loans.

"(B) The term includes an individual whose signature is requested as a condition to grant credit or to forbear on collection, but does not include a spouse of a student loan borrower, the signature of whom is needed to perfect the security interest in a loan.".

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

"(6C) "Overpayment" means a payment on a student education loan or private education loan in excess of the monthly amount due from the student loan borrower on a student education loan or private education loan.

"(6D) "Partial payment" means a payment on a student education loan account that contains multiple individual loans in an amount less than the amount necessary to satisfy the outstanding payment due on all loans in the student education loan account.

"(6E)(A) "Postsecondary education expense" means an expense related to enrollment in or attendance at a postsecondary education institution regardless of whether the debt incurred by a student to pay those expenses is owed to the provider of postsecondary education whose school, program, or facility the student attends.

(B) For the purpose of this paragraph, the term "postsecondary" has the same meaning as that term is defined in section 201(12B) of the Education Licensure Commission Act of 1976, effective April 6, 1977 (D.C. Law 1-104; D.C. Official Code § 38-1302(12B)).

"(6F) "Private education lender" means a person engaged in the business of securing, making, or extending private education loans, or a holder of a private education loan. The term does not include, to the extent preempted by federal law:

"(A) A bank or credit union;

"(B) A wholly owned subsidiary of a bank or credit union; or

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

"(6G)(A) "Private education loan" means an extension of credit that is not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. § 1070 *et seq*.), and is extended to a consumer expressly, in whole or in part, for postsecondary education expenses regardless of whether the loan is provided by the educational institution that the student attends.

"(B) The term does not include:

"(i) Open-end credit or any loan that is secured by real property or a dwelling; or

"(ii) An extension of credit in which the covered educational institution is the creditor if the term is 90 days or less or an interest rate will not be applied to the credit balance and the term of the extension of credit is one year or less, even if the credit is payable in more than 4 installments.

(4) Paragraph (9) is amended to read as follows:

"(9) "Student loan borrower" means a resident of the District of Columbia who has received or agreed to pay a student education loan or a private education loan to fund his or her postsecondary education.".

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

"(13) "Total and permanent disability" is the condition of an individual who:

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

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

(b) Section 7a(c)(10) (D.C. Official Code § 31-106.01(c)(10)) is amended to read as follows:

"(10) By January 1, 2025, develop an updated consumer-facing student loan borrower bill of rights, and make it available on the Department's website.".

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

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

(A) Paragraph (1)(B) is amended by striking the phrase "Application fees and other fees" and inserting the phrase "Application fees, investigation fees, and other fees" in its place.

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

"(3) The Commissioner shall automatically issue a limited, irrevocable license to a person or entity servicing a student education loan under contract with the United States Department of Education provided that:

"(A)(i), A person or entity seeking to act within the District of Columbia as a student loan servicer is exempt from the application procedures established pursuant to this

subsection, other than the requirements of paragraphs (1)(B) and (1)(D) of this subsection, to the extent that the student loan servicing performed is conducted pursuant to a contract awarded by the United States Secretary of Education under 20 U.S.C. § 1087f.

"(ii) The Commissioner shall prescribe the procedure to document eligibility for the exemption and maintain records documenting each person and entity issued a license pursuant to this paragraph.

"(B) A person or entity meeting the criteria set forth in subparagraph (A) of this paragraph shall be issued a license by the Commissioner for the student loan servicing of student education loans under contract with the United States Department of Education and shall be deemed by the Commissioner to have met all the requirements established by subparagraphs (1)(A) and (C) of this subsection.

"(C) The provisions of subsection (h) of this section shall not apply to a person or entity issued a limited license pursuant to this section to the extent that the person or entity is servicing a federal student education loan.

"(D)(i) A person or entity issued a license pursuant to this section shall provide the Commissioner with written notice within 7 days following the notification of the expiration, revocation, or termination of any contract awarded by the United States Secretary of Education under 20 U.S.C § 1087f ("written notice").

"(ii) After providing the written notice required by sub-subparagraph (i) of this subparagraph, the person or entity shall have 30 days to satisfy all the requirements established under this section in order to continue to act within the District of Columbia as a student loan servicer for federal student education loans.

"(iii) At the expiration of the 30-day period provided in sub-subparagraph (ii) of this subparagraph, if the person or entity has not satisfied the requirements established pursuant to this section, the Commissioner shall immediately suspend any license granted under this section.

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

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

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

(3) A new subsection (k) is added to read as follows:

"(k) In a format prescribed by the Commissioner, a licensee shall maintain the contact information for the Department and the Ombudsman, as defined in section 2(6B), on the licensee's website.".

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

"Sec. 7b-1. Prohibited conduct – student loan servicers.

"(a) No student loan servicer shall:

"(1) Directly or indirectly employ any scheme, device, or artifice to defraud a student loan borrower;

"(2) Directly or indirectly employ any scheme, device, or artifice to mislead a student loan borrower;

"(3) Engage in any unfair or deceptive practice toward any person or misrepresent or omit any material information in connection with the servicing of a student education loan, including an abusive act and practice;

"(4) Obtain property by fraud;

"(5) Obtain property by misrepresentation;

"(6) Misapply student education loan payments to the outstanding balance of a student education loan;

"(7) Provide inaccurate information to a credit bureau, harming a student loan borrower's creditworthiness;

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

"(9) Refuse to communicate with an authorized representative of the student loan borrower who provides a written authorization signed by the student loan borrower; except, that the student loan servicer may adopt procedures reasonably related to verifying that the representative is authorized to act on behalf of the student loan borrower;

"(10) Make a false statement or make an omission of a material fact in connection with any information or report filed with a governmental agency or in connection with any investigation conducted by the Commissioner or another governmental agency;

"(11) Fail to respond within 15 business days to a communication from the Department, or the Office of the Attorney General, or within such shorter reasonable period of time as may be requested by the Department or the Attorney General; or

"(12)(A) Fail to respond within 15 business days to a consumer complaint submitted to the student loan servicer by the Department or the Office of the Attorney General.

"(B) A student loan servicer may request additional time to respond to the complaint, up to a maximum of 45 business days, provided that the request is accompanied by an explanation as to why additional time is reasonable and necessary.

"Sec. 7b-2. Affirmative duties – student loan servicers.

"(a) Except as otherwise provided pursuant to federal law or a student education loan agreement, a student loan servicer shall:

"(1) Respond to any written inquiry from a student loan borrower or the representative of a student loan borrower by:

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

"(B) Providing information relating to the inquiry, and, if applicable, the action the student loan servicer will take to correct the account or an explanation of the student loan servicer's determination that the borrower's account is correct within 30 business days, including copies of all information and account information used by the student loan servicer in reaching the determination.

"(2) Inquire of a student loan borrower who has an overpayment on how the student loan borrower wants to apply the overpayment to a student education loan. A student loan borrower's instruction on how to apply an overpayment to a student education loan shall stay in effect for any future overpayments during the term of the student education loan until the borrower provides different instructions.

"(3)(A) In the absence of direction provided by a student loan borrower pursuant to paragraph (2) of this subsection, allocate an overpayment on a student loan account in a manner that reduces the total cost of the student loan, including principal and balance, interest, and fees.

"(B) A student loan servicer shall be deemed to meet the requirements of this paragraph if the servicer allocates the overpayment to the loan with the highest interest rate on the student loan borrower's account, unless the student loan borrower specifies otherwise.

"(4)(A) In the absence of direction provided by a student loan borrower pursuant to paragraph (2) of this subsection, apply partial payments in a manner that minimizes late fees and negative credit reporting.

"(B) If there are multiple loans on a student loan borrower's account with an equal stage of delinquency, apply the partial payment in a way that satisfies as many individual loan payments as possible on a student loan borrower's account.

"(b) Except as otherwise provided by federal law or regulation, the following requirements shall be applicable to a student loan servicer in the event of the sale, assignment, or other transfer of the servicing of a student education loan that results in a change in the identity of the student loan servicer to whom a student loan borrower is required to send payments or direct any communication concerning the student education loan:

"(1)(A) As a condition of a sale, an assignment, or any other transfer of the servicing of a student education loan, a student loan servicer shall require the new student loan servicer to honor all benefits originally represented as available to a student loan borrower during the repayment of the student education loan and preserve the availability of those benefits, including any benefits for which the student loan borrower has not yet qualified.

"(B) If a student loan servicer is not also the loan holder or is not acting on behalf of the loan holder, the student loan servicer satisfies the requirement established by this paragraph by providing the new student loan servicer with the information necessary for the new student loan servicer to honor all benefits originally represented as available to a student loan borrower during the repayment of the student education loan and preserve the availability of the benefits, including any benefits for which the student loan borrower has not yet qualified.

"(2) A student loan servicer shall transfer to the new student loan servicer for the student education loan all information regarding the student loan borrower, the account of the student loan borrower, and the student education loan of the student loan borrower. The information shall include the repayment status of the student loan borrower and any benefits associated with the student education loan of the borrower.

"(3) The student loan servicer shall complete the transfer of information required pursuant to paragraph (2) of this subsection within 45 calendar days after the sale, assignment, or other transfer of the servicing of the student education loan.

"(4) The transferring student loan servicer shall notify affected student loan borrowers of the sale, assignment, or other transfer of the servicing of the student education loan at least 7 days before the next payment on the loan is due, which notice shall include:

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

"(B) The effective date of the transfer of the student loan borrower's student education loan to the new student loan servicer;

"(C) The date on which the existing student loan servicer will no longer accept payments and whether and by when any action will need to be taken to update auto-debit payments; and

"(D) The contact information for the new student loan servicer, including phone number, email address, mailing address, and fax number.

"(c) A student loan servicer who obtains the right to service a student education loan shall adopt policies and procedures to verify that the student loan servicer has received all information regarding the student loan borrower, the account of the student loan borrower, and the student education loan of the student loan borrower, including the repayment status of the student loan borrower and any benefits associated with the student education loan of the student loan borrower.

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

"Sec. 7b-3. Prohibited acts – private education lenders.

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

"(2) A private education loan executed prior to the applicability date of this section shall permit the private education lender to accelerate payments only if the promissory note or private education loan agreement explicitly authorizes an acceleration and only for the reasons stated in the note or agreement.

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

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

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

"(b) A private education lender shall not:

"(1) Directly or indirectly employ any scheme, device, or artifice to defraud a student loan borrower;

"(2) Directly or indirectly employ any scheme, device, or artifice to mislead a student loan borrower;

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

"(4) Obtain property by fraud;

"(5) Obtain property by misrepresentation;

"(6) Misapply private education loan payments to the outstanding balance of a private education loan;

"(7) Provide inaccurate information to a credit bureau, thereby harming a student loan borrower's creditworthiness;

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

"(9) Refuse to communicate with an authorized representative of the student loan borrower who provides a written authorization signed by the student loan borrower; except, that the private education lender may adopt procedures reasonably related to verifying that the representative is authorized to act on behalf of the student loan borrower;

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

"(11) Fail to respond within 15 business days to communications from the Department or the Office of the Attorney General, or within such shorter reasonable period of time as may be requested by the Commissioner or the Attorney General; or

"(12)(A) Fail to respond within 15 business days to a consumer complaint transmitted to the private education lender by the Department or the Office of the Attorney General.

"(B) A private education lender may request additional time to respond to the complaint, up to a maximum of 45 business days, provided that the request is accompanied by an explanation as to why additional time is reasonable and necessary.

"Sec. 7b-4. Affirmative duties – private education lenders.

"(a) For a private education loan issued on or after the applicability date of this section:

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

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

"(3) A private education lender that extends a private education loan to a student loan borrower shall provide the student loan borrower an option to designate an individual to have the legal authority to act on behalf of the student loan borrower with respect to the private education loan in the event of the total and permanent disability of the student loan borrower.

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

"(5) A private education lender shall not declare a default or accelerate the debt against the student loan borrower on the sole basis of the release of the cosigner from the private education loan obligation.

"(6) A private education lender shall when notified of the total and permanent disability of a student loan borrower discharge the liability of the student loan borrower and cosigner on the private education loan.

"(7) After receiving a notification pursuant to paragraph (1) of this subsection, the private education lender shall not attempt to collect on the outstanding liability of the student loan borrower or cosigner or monitor the disability status of the student loan borrower after the date of discharge.

"(b) Availability of alternative repayment plans.

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

"(A) Provide on its website a description of any alternative repayment options offered by the private education lender for a private education loan; and

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

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

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

"(A) How the private education loan obligation shall appear on the cosigner's credit;

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

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

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

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

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

"(2) If the student loan borrower has met the applicable requirements to be eligible for cosigner release, the private education lender shall send the student loan borrower and the cosigner a written notification by U.S. mail, and by electronic mail when a student loan borrower or cosigner has elected to receive electronic communications from the private education lender, informing the student loan borrower and cosigner that the requirements to be eligible for cosigner release have been met.

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

"(4)(A) Within 30 days after a student loan borrower submits a completed application for cosigner release, the private education lender shall send the student loan borrower and the cosigner a written notice that informs the student loan borrower and cosigner whether the cosigner release application has been approved or denied.

"(B) If the private education lender denies the request for cosigner release, the student loan borrower may request any documents or information used in the determination, including the credit score threshold used by the private education lender, the student loan borrower's consumer report, the student loan borrower's credit score, and any other documents specific to the student loan borrower. The private education lender shall also provide any adverse action notices required under applicable federal law if the denial is based in whole or in part on any information contained in a consumer report.

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

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

"(7)(A) A private education lender shall not impose any negative consequences on a student loan borrower or cosigner during the 60 days following the issuance of the notice required pursuant to paragraph (3) of this subsection or until the private education lender makes a final determination about a borrower's cosigner release application.

"(B) For the purpose of this paragraph, the term "negative consequences" includes the imposition of additional eligibility criteria, negative credit reporting, lost eligibility for cosigner release, late fees, interest capitalization, or other financial penalty.

"(8)(A) For a private education loan executed after the applicable date of this section, a private education lender shall not require more than 12 consecutive, on-time payments as a requirement for cosigner release.

"(B) A student loan borrower who has paid the equivalent of 12 months of principal and interest payments within any 12-month period shall be considered to have satisfied

a consecutive, on-time payment requirement even if the student loan borrower has not made payments monthly during the 12-month period.

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

"(10)(A) A student loan borrower shall have the right to request a reconsideration of a private education lender's denial of a request for cosigner release, and the private education lender shall permit the student loan borrower to submit additional documentation evidencing the borrower's ability to meet the payment obligations.

"(B) The student loan borrower may request review of the cosigner release determination by a different employee than the employee who made the original determination.

"(11)(A) A private education lender shall establish and maintain a comprehensive record-management system ("record-management system") reasonably designed to ensure the accuracy, integrity, and completeness of data and other information about cosigner release applications and compliance with applicable District and federal laws, including the Equal Credit Opportunity Act (15 U.S.C. § 1691 *et seq*.) and the Fair Credit Reporting Act (15 U.S.C. § 1681 *et seq*.).

"(B) The record-management system shall also include the:

"(i) Number of cosigner release applications received;

"(ii) Approval and denial rate; and

"(iii) primary reasons for any denial.

"(e)(1) A private education lender shall provide a cosigner with access to all documents or records related to the cosigned private education loan that are available to the student loan borrower.

"(2) If a private education lender provides electronic access to documents and records for a student loan borrower, it shall provide the equivalent electronic access to the cosigner.

"(3) Upon written notice from the student loan borrower or cosigner, the private education lender may redact or withhold contact information for the student loan borrower and cosigner.

"Sec. 7b-5. Enforcement.

"(a) In addition to complying with the requirements of the New Student Loan Borrower Bill of Rights Amendment Act of 2024, passed on 2nd reading on September 17, 2024 (Enrolled version of Bill 25-37) ("act"), a student loan servicer shall comply with all applicable federal laws relating to student loan servicing, as from time to time amended, and the regulations promulgated pursuant to those federal laws.

"(b) A violation of section 7b-1 or 7b-3 is an unfair or deceptive trade practice pursuant to D.C. Official Code § 28-3904.

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

"(1) Actual damages, but in no case shall the total award of damages be less than $500 per plaintiff, per violation;

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

"(3) Restitution of property;

"(4) Punitive damages;

"(5) Attorney's fees; or

"(6) Any other relief that the court considers proper.

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

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

"(f) The Attorney General may bring an action for any violation of sections 7b, 7b-1, 7b-2, 7b-3, 7b-4 or 7b-5(a) under the authority granted in § 28-3909.

"(g) The Department shall share information on a quarterly basis related to the implementation, execution, and enforcement of sections 7b, 7b-1, 7b-2, 7b-3, 7b-4 and 7b-5(a) with the Office of the Attorney General.

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

Sec. 3. Conforming amendment.

Section 28-3903 of the District of Columbia Official Code is amended by adding a new subsection (d) to read as follows:

"(d) The Attorney General may bring an action pursuant to section 7b-5(f) of the Department of Insurance and Securities Regulation Establishment Act of 1996, passed on 2nd

reading on September 17, 2024 (Enrolled version of Bill 25-37) ("act"), for a violation of sections 7b, 7b-1, 7b-2, 7b-3, 7b-4 or 7b-5(a) of the act.

Sec. 4. Applicability.

This act shall apply as of October 1, 2024.

Sec. 5. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 6. Effective date.

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

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Chairman
Council of the District of Columbia

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Mayor
District of Columbia