

1 language designed to be easily understood by the average student
2 loan borrower.

3 B. No student loan servicer shall:

4 1. Directly or indirectly employ any scheme, device or artifice
5 to defraud or mislead student loan borrowers;

6 2. Engage in any unfair or deceptive practice toward any person
7 or misrepresent or omit any material information in connection with
8 the servicing of a student education loan including, but not limited
9 to, misrepresenting the amount, nature or terms of any fee or
10 payment due or claimed to be due on a student education loan, the
11 terms and conditions of the loan agreement or the borrower's
12 obligations under the loan;

13 3. Obtain property by fraud or misrepresentation;

14 4. Incorrectly apply or fail to apply student education loan
15 payments to the outstanding balance of a student education loan;

16 5. Provide inaccurate information to a credit bureau, thereby
17 harming a student loan borrower's creditworthiness;

18 6. Fail to report both the favorable and unfavorable payment
19 history of the student loan borrower to a nationally recognized
20 consumer credit bureau at least annually if the student loan
21 servicer regularly reports information to a credit bureau, except in
22 the case of loan rehabilitation;

23 7. Refuse to communicate with an authorized representative of
24 the student loan borrower who provides a written authorization

1 signed by the student loan borrower, provided the student loan
2 servicer may adopt procedures reasonably related to verifying that
3 the representative is in fact authorized to act on behalf of the
4 student loan borrower;

5 8. Make any false statement or misrepresentation by omission of
6 a material fact in connection with any information or reports filed
7 with a governmental agency or in connection with any investigation
8 conducted by a governmental agency;

9 9. Fail to inform borrowers of the federal income repayment
10 options before offering deferment or forbearance as an option; or

11 10. ~~Inform~~ Fail to inform student loan ~~borrower~~ borrowers if
12 their type of loan does not qualify for loan forgiveness programs.

13 SECTION 2. This act shall become effective November 1, 2023.

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15 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
16 PENSIONS, dated 02/22/2023 - DO PASS, As Coauthored.

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