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eligible for medical assistance in this state and enrolled in a PACE program under a PACE program agreement. The commissioner shall seek any waiver from federal law necessary to permit federal participation for Medicaid expenditures for PACE programs in this state.]

[(e)] (d) The commissioner may adopt regulations in accordance with chapter 54 to implement the provisions of this section. The commissioner, pursuant to section 17b-10, may implement policies and procedures to implement the provisions of this section while in the process of adopting such policies and procedures in regulation form, provided the commissioner posts notice of the intent to adopt the regulation on the eRegulations System not later than twenty days after the date of implementation. Such policies and procedures shall be valid until the time final regulations are adopted.

Sec. 166. (NEW) (*Effective October 1, 2023*) (a) For purposes of this section:

(1) "Commissioner" means the Banking Commissioner;

(2) "Consumer collection agency" has the same meaning as provided in section 36a-800 of the general statutes;

(3) "Postsecondary education expense" means any expense associated with a student's enrollment in, or attendance at, a postsecondary educational institution;

(4) "Private education lender" means any person engaged in the business of making or extending private education loans. "Private education lender" does not include: (A) Any bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union; (B) any wholly owned subsidiary of any such bank or credit union; (C) any operating subsidiary where each owner of such operating subsidiary is wholly owned by the same bank or credit union; or (D) the

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Connecticut Higher Education Supplemental Loan Authority, as described in section 10a-179a of the general statutes;

(5) "Private education loan" means credit that: (A) Is extended to a consumer expressly, in whole or in part, for postsecondary educational expenses, regardless of whether the credit is provided by the postsecondary educational institution that the student attends; and (B) is not made, insured or guaranteed under Title IV of the Higher Education Act of 1965, as amended from time to time. "Private education loan" does not include a loan that is secured by real property, regardless of the purpose of the loan;

(6) "Private education loan borrower" means any resident of the state, including a student loan borrower, who has received or agreed to pay a private education loan for the resident's own postsecondary education expenses;

(7) "Private education loan creditor" means any person to whom a private education loan is sold or assigned, or any person who otherwise acquires a private education loan. "Private education loan creditor" does not include: (A) A bank, as defined in 12 USC 1841(c), as amended from time to time; (B) a Connecticut credit union, a federal credit union or an out-of-state credit union, as those terms are defined in section 36a-2 of the general statutes; (C) a consumer collection agency licensed pursuant to section 36a-801 of the general statutes; (D) a private student loan servicer licensed pursuant to section 36a-847 of the general statutes; or (E) any department or agency of the United States, this state, any other state or any political subdivision thereof; and

(8) "Student loan servicer" has the same meaning as provided in section 36a-846 of the general statutes.

(b) Except for a public or private nonprofit postsecondary educational institution, for which the commissioner may prescribe an

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alternative registration process and fee structure, a private education lender or a private education loan creditor shall, prior to making a private education loan to, or purchasing or assuming a private education loan owed by, a resident of the state:

(1) Register with the commissioner and pay a fee in the form and manner prescribed by the commissioner, which may include registration using the National Multistate Licensing System and Registry and the payment of any fees thereto; and

(2) Renew such registration for each year that such private education lender or private education loan creditor continues to act as a private education lender or private education loan creditor.

(c) For each year in which a private education lender registers with, or renews such registration with, the commissioner pursuant to subsection (b) of this section, such private education lender shall, at the time of such registration or renewal, and at other times upon the commissioner's request, provide to the commissioner, in the form and manner prescribed by the commissioner, the following documents and information:

(1) A list of all schools attended by the private education loan borrowers with outstanding private education loans made by such private education lender;

(2) The number and dollar amount of all outstanding private education loans such private education lender made to private education loan borrowers;

(3) For each school listed pursuant to subdivision (1) of this subsection, the number and dollar amount of all outstanding private education loans such private education lender made to private education loan borrowers who attended such school;

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(4) The number and dollar amount of all private education loans such private education lender made during the prior year to private education loan borrowers;

(5) For each school listed pursuant to subdivision (1) of this subsection, the number and dollar amount of all private education loans such private education lender made during the prior year to private education loan borrowers who attended such school;

(6) The spread of interest rates for the private education loans such private education lender made during the prior year;

(7) The percentage of private education loan borrowers who received each rate within the spread of interest rates provided pursuant to subdivision (6) of this subsection;

(8) The number of private education loans with a cosigner that such private education lender made during the prior year;

(9) The default rate for private education loan borrowers obtaining private education loans from the private education lender, and, for each school listed pursuant to subdivision (1) of this subsection, the default rate for private education loans made to private education loan borrowers who attended such school;

(10) The number of private education loan borrowers against whom such private education lender brought legal action in the prior year to collect a debt owed pursuant to a private education loan, and the amount sought in each such action;

(11) A copy of each model promissory note, agreement, contract or other instrument used by the private education lender during the prior year to substantiate that a new private education loan has been extended to a private education loan borrower or that a private education loan borrower owes a debt to such lender; and

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(12) The name and address of: (A) Such private education lender; (B) each officer, director or partner of such private education lender; and (C) each owner of a controlling interest in such private education lender.

(d) For each year in which a private education loan creditor registers with, or renews such registration with, the commissioner pursuant to subsection (b) of this section, such private education loan creditor shall, at the time of such registration or renewal, and at other times upon the commissioner's request, provide to the commissioner, in the form and manner prescribed by the commissioner, the following documents and information:

(1) A list of all schools attended by the private education loan borrowers with outstanding private education loans assumed or acquired by such private education loan creditor;

(2) The number and dollar amount of all outstanding private education loans owed by private education loan borrowers to such private education loan creditor;

(3) For each school listed pursuant to subdivision (1) of this subsection, the number and dollar amount of all outstanding private education loans owed to such private education loan creditor by private education loan borrowers who attended such school;

(4) The number and dollar amount of all private education loans: (A) Such private education loan creditor assumed or acquired during the prior year; and (B) owed to such private education loan creditor by private education loan borrowers;

(5) For each school listed pursuant to subdivision (1) of this subsection, the number and dollar amount of all private education loans: (A) Such private education loan creditor assumed or acquired during the prior year; and (B) owed to such private education loan creditor by private education loan borrowers who attended such school;

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(6) The number of private education loans with a cosigner that such private education loan creditor assumed or acquired during the prior year;

(7) The default rate for private education loan borrowers whose private education loans were assumed or acquired by such private education loan creditor, and, for each school listed pursuant to subdivision (1) of this subsection, the default rate for private education loans owed by private education loan borrowers who attended such school;

(8) The number of private education loan borrowers against whom such private education loan creditor brought legal action in the prior year to collect a debt owed pursuant to a private education loan, and the amount sought in each such action; and

(9) The name and address of: (A) Such private education loan creditor; (B) each officer, director or partner of such private education loan creditor; and (C) each owner of a controlling interest in such private education loan creditor.

(e) The commissioner shall create, and periodically update, a publicly accessible Internet web site that includes the following information about private education lenders and private education loan creditors registered in the state:

(1) The name, address, telephone number and Internet web site address for all registered private education lenders and private education loan creditors;

(2) A summary of the information and documents provided pursuant to subsections (c) and (d) of this section; and

(3) Copies of all model promissory notes, agreements, contracts and other instruments provided to the commissioner in accordance with

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subdivision (11) of subsection (c) of this section.

(f) The commissioner may take action pursuant to section 36a-50 of the general statutes to enforce the provisions of this section.

(g) The commissioner may order that any person who has been found to have violated any provision of this section and has thereby caused financial harm to a consumer be barred for a term not exceeding ten years from acting as a private education lender, private education loan creditor or a stockholder, officer, director, partner or other owner or employee of a private education lender or private education loan creditor.

Sec. 167. Section 36a-25 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(a) [The Banking Commissioner shall, within available appropriations, designate a] There is established an Office of the Student Loan Ombudsman, which shall be within the Department of Banking for administrative purposes only, to provide timely assistance to any student loan borrower, as defined in section 36a-846, of any student education loan, as defined in section 36a-846. The Banking Commissioner shall appoint a Student Loan Ombudsman who shall be selected from among individuals with expertise and experience in a field concerning student loans to head the office.

(b) The Office of the Student Loan Ombudsman [, in consultation with the commissioner,] shall:

(1) Receive, review and attempt to resolve any complaints from student loan borrowers, including, but not limited to, attempts to resolve such complaints in collaboration with institutions of higher education, student loan servicers, as defined in section 36a-846, and any other participants in student loan lending, including, but not limited to, The University of Connecticut, the Board of Regents for Higher

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Education, the Office of Higher Education or the Connecticut Higher Education Supplemental Loan Authority;

(2) Compile and analyze data on student loan borrower complaints as described in subdivision (1) of this subsection;

(3) Assist student loan borrowers to understand their rights and responsibilities under the terms of student education loans;

(4) Provide information to the public, agencies, legislators and others regarding the problems and concerns of student loan borrowers and make recommendations for resolving those problems and concerns;

(5) Analyze and monitor the development and implementation of federal, state and local laws, regulations and policies relating to student loan borrowers and recommend any changes the Student Loan Ombudsman deems necessary;

(6) Review the complete student education loan history for any student loan borrower who has provided written consent for such review;

(7) Disseminate information concerning the availability of the Office of the Student Loan Ombudsman to assist student loan borrowers and potential student loan borrowers, as well as public institutions of higher education, student loan servicers and any other participant in student education loan lending, with any student loan servicing concerns; and

(8) Take any other actions necessary to fulfill the duties of the Office of the Student Loan Ombudsman and the Student Loan Ombudsman as set forth in this subsection.

(c) (1) On or before October 1, 2016, the Student Loan Ombudsman, in consultation with the commissioner, shall, within available appropriations, establish and maintain a student loan borrower



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education course that shall include educational presentations and materials regarding student education loans. Such program shall include, but not be limited to, key loan terms, documentation requirements, monthly payment obligations, income-based repayment options, loan forgiveness and disclosure requirements.

(2) Beginning on October 1, 2024, the Office of the Student Loan Ombudsman shall maintain the student loan borrower education course established pursuant to subdivision (1) of this subsection.

(d) (1) On or before January 1, 2016, and annually thereafter until January 1, 2023, the Banking Commissioner shall submit a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to banking and higher education. The commissioner shall report on: [(1)] (A) The implementation of this section; [(2)] (B) the overall effectiveness of the Student Loan Ombudsman position; and [(3)] (C) additional steps that need to be taken for the Department of Banking to gain regulatory control over the licensing and enforcement of student loan servicers.

(2) Beginning on January 1, 2024, and annually thereafter, the Student Loan Ombudsman shall submit the report required under subdivision (1) of this subsection, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to banking and higher education. The ombudsman shall report on: (A) The implementation of this section; (B) the overall effectiveness of the Office of the Student Loan Ombudsman; and (C) additional steps that need to be taken for the Department of Banking to gain regulatory control over the licensing and enforcement of student loan servicers.

(e) (1) There is established an account to be known as the "student loan ombudsman account" which shall be a separate, nonlapsing

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account within the Banking Fund. The account shall contain the moneys described in subdivision (2) of this subsection and any other moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Banking Commissioner for the purpose of administering the provisions of this section.

(2) The account established under subdivision (1) of this subsection shall contain any licensing or investigation fees collected pursuant to subsection (b) of section 36a-847.

Sec. 168. Section 36a-846 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

As used in this section and sections 36a-847 to 36a-855, inclusive:

(1) "Advertise" or "advertising" has the same meaning as provided in section 36a-485;

(2) "Branch office" means a location other than the main office at which a licensee or any person on behalf of a licensee acts as a student loan servicer;

(3) "Consumer report" has the same meaning as provided in Section 603(d) of the Fair Credit Reporting Act, 15 USC, 1681a, as amended from time to time;

(4) "Control person" has the same meaning as provided in section 36a-485;

(5) "Cosigner" has the same meaning as provided in 15 USC 1650(a), as amended from time to time;

(6) "Federal student education loan" means any student education loan (A) (i) made pursuant to the William D. Ford Federal Direct Loan Program, 20 USC 1087a, et seq., as amended from time to time, or (ii) purchased by the United States Department of Education pursuant to 20

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USC 1087i-1(a), as amended from time to time, and (B) owned by the United States Department of Education;

(7) "Federal student loan servicer" means any student loan servicer responsible for the servicing of a federal student education loan to a student loan borrower pursuant to a contract awarded [to such person] by the United States Department of Education under 20 USC 1087f, as amended from time to time;

(8) "Main office" has the same meaning as provided in section 36a-485;

(9) "Private student education loan" means any student education loan that is not a federal student education loan;

(10) "Private student education loan servicer" means any student loan servicer responsible for the servicing of a private student education loan to a student loan borrower;

(11) "Student loan borrower" means any individual who resides within this state who has agreed to repay a student education loan;

(12) "Student loan servicer" means any person, wherever located, responsible for the servicing of any student education loan to any student loan borrower;

(13) "Servicing" means (A) receiving any scheduled periodic payments from a student loan borrower pursuant to the terms of a student education loan; (B) applying the payments of principal and interest and such other payments with respect to the amounts received from a student loan borrower, as may be required pursuant to the terms of a student education loan; (C) maintaining account records for and communicating with the student loan borrower concerning the student education loan during the period when no scheduled periodic payments are required; (D) interacting with a student loan borrower for purposes

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of facilitating the servicing of a student education loan, including, but not limited to, assisting a student loan borrower to prevent such borrower from defaulting on obligations arising from the student education loan; or (E) performing other administrative services with respect to a student education loan;

(14) "Student education loan" means any loan primarily for personal use to finance education or other school-related expenses; and

(15) "Unique identifier" has the same meaning as provided in section 36a-485.

Sec. 169. Subsection (d) of section 36a-847a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(d) Each registrant shall notify the commissioner in writing of the expiration, revocation or termination of any contract awarded [to the registrant] by the United States Department of Education pursuant to 20 USC 1087f, as amended from time to time, pursuant to which such registrant performs student loan servicing activities, not later than seven days after such expiration, revocation or termination. Any registration based solely upon such contract shall be deemed expired upon the effective date of such expiration, revocation or termination by the United States Department of Education.

Sec. 170. Section 7 of public act 23-137 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section, "emergency services" means law enforcement, fire fighting, medical, ambulance and other emergency services.

(b) Not later than January 1, 2024, the Department of Emergency Services and Public Protection shall, within available appropriations,