

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2922

By: Provenzano, **Waldron** and
 Albright of the House

and

Montgomery of the Senate

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11 COMMITTEE SUBSTITUTE

12 An Act relating to debtor and creditor; creating the
13 Oklahoma Student Borrower's Bill of Rights Act;
14 defining terms; directing the Attorney General to
15 prepare certain statement and make available to
16 public; prohibiting certain actions by student loan
17 servicers; providing for codification; and providing
18 an effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 170 of Title 24, unless there is
22 created a duplication in numbering, reads as follows:

23 This act shall be known and may be cited as the "Oklahoma
24 Student Borrower's Bill of Rights Act".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 171 of Title 24, unless there is
3 created a duplication in numbering, reads as follows:

4 As used in the Oklahoma Student Borrower's Bill of Rights Act:

5 1. "Guarantor" means a nonprofit or state organization that
6 works with a lender, servicer, school and the State Department of
7 Education to help students successfully repay certain federal
8 student loans;

9 2. "Student loan borrower" means:

- 10 a. any resident of this state who has received or agreed
11 to pay a student education loan, or
- 12 b. any person who shares responsibility with such
13 resident for repaying the student education loan;

14 3. "Student loan servicer" means any person, wherever located,
15 responsible for the servicing of any student education loan to any
16 student loan borrower;

17 4. "Servicing" means:

- 18 a. receiving any scheduled periodic payments from a
19 student loan borrower pursuant to the terms of a
20 student education loan,
- 21 b. applying the payments of principal and interest and
22 such other payments with respect to the amounts
23 received from a student loan borrower, as may be
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1 required pursuant to the terms of a student education
2 loan, and

3 c. performing other administrative services with respect
4 to a student education loan.

5 Servicing does not include default aversion efforts provided by
6 state or nonprofit guaranty agencies as required by their agreement
7 with the U.S. Department of Education under the Higher Education Act
8 of 2008; and

9 5. "Student education loan" means any loan primarily for
10 personal use to finance education or other school-related expenses.

11 SECTION 3. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 172 of Title 24, unless there is
13 created a duplication in numbering, reads as follows:

14 A. The Attorney General shall prepare a written statement that
15 includes an "Oklahoma Student Borrower's Bill of Rights" for a
16 student loan borrower who takes out a student education loan that is
17 serviced by a student loan servicer. The statement shall
18 incorporate all items from subsection B of this section and be made
19 available to the public and written in plain language designed to be
20 easily understood by the average student loan borrower.

21 B. No student loan servicer shall:

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

- 1 2. Engage in any unfair or deceptive practice toward any person
2 or misrepresent or omit any material information in connection with
3 the servicing of a student education loan, including, but not
4 limited to, misrepresenting the amount, nature or terms of any fee
5 or payment due or claimed to be due on a student education loan, the
6 terms and conditions of the loan agreement or the borrower's
7 obligations under the loan;
- 8 3. Obtain property by fraud or misrepresentation;
- 9 4. Incorrectly apply or fail to apply student education loan
10 payments to the outstanding balance of a student education loan;
- 11 5. Provide inaccurate information to a credit bureau, thereby
12 harming a student loan borrower's creditworthiness;
- 13 6. Fail to report both the favorable and unfavorable payment
14 history of the student loan borrower to a nationally recognized
15 consumer credit bureau at least annually if the student loan
16 servicer regularly reports information to a credit bureau, except in
17 the case of loan rehabilitation;
- 18 7. Refuse to communicate with an authorized representative of
19 the student loan borrower who provides a written authorization
20 signed by the student loan borrower, provided the student loan
21 servicer may adopt procedures reasonably related to verifying that
22 the representative is in fact authorized to act on behalf of the
23 student loan borrower;

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1 8. Make any false statement or make any omission of a material
2 fact in connection with any information or reports filed with a
3 governmental agency or in connection with any investigation
4 conducted by a governmental agency;

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

7 10. Inform student loan borrower if their type of loan does not
8 qualify for loan forgiveness programs.

9 SECTION 4. This act shall become effective November 1, 2020.

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11 COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND
12 PENSIONS, dated 02/26/2020 - DO PASS, As Amended and Coauthored.

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