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## DIGEST

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HB 610 Original

2022 Regular Session

Green

**Abstract:** Requires student loan servicers to apply a borrower's payment in the manner requested by the borrower, to respond to inquiries and complaints by the borrower, and to follow certain other guidelines relative to student education loans.

Proposed law defines "nonconforming payment", "servicing", "student education loan", "student loan borrower", and "student loan servicer".

Proposed law prohibits a student loan servicer from the following:

- (1) Employing a scheme to mislead a student loan borrower.
- (2) Engaging in unfair, abusive, or deceptive trade practices.
- (3) Misrepresenting or omitting any material information in connection with the servicing of a student education loan.
- (4) Obtaining property by misinformation.
- (5) Allocating a nonconforming payment in a manner other than as directed by the borrower.
- (6) Knowingly or recklessly misapplying, or refusing to correct a misapplication of payment.
- (7) Knowingly or recklessly providing inaccurate information to a consumer reporting agency, or refuse to correct the inaccurate information.
- (8) Failing to report the favorable history of a student loan borrower to a nationally recognized consumer reporting agency at least once a year.
- (9) Refusing to communicate with an authorized representative of a student loan borrower.
- (10) Negligently making a false statement or omitting a material fact in connection with a report or investigation.

Proposed law allows a student loan servicer to adopt procedures to verify the authority of a representative to act on behalf of a student loan borrower.

Proposed law requires a student loan servicer to acknowledge receipt of an inquiry or complaint from a borrower.

Proposed law requires a student loan servicer to provide certain information when responding to an inquiry or complaint of a borrower.

Proposed law provides time limits applicable to various communications between the student loan servicer and the borrower.

A violation of proposed law is considered a violation of present law relative to unfair trade practices.

Proposed law allows the commissioner of the Office of Financial Institutions to enforce the provisions of proposed law by doing any of the following:

- (1) Seeking an injunction.
- (2) Requiring a violator to take affirmative action to correct the violation.
- (3) Investigating violations of proposed law.
- (4) Aiding other agencies that have jurisdiction over a violator.
- (5) Cooperating in the investigation or prosecution of a violator.

Proposed law authorizes a court to enter any order or judgement necessary to prohibit violations of proposed law, restore money or property to a harmed person, or appoint a receiver in certain situations.

Proposed law provides that in any action brought by the commissioner under proposed law the commissioner is entitled to recover the costs of the action for the use of the state.

(Adds R.S. 6:1401-1404)