
DIGEST

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HB 610 Engrossed

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", "service" or "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) Misapplying or refusing to correct a misapplication of payment.
- (7) 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.

(Adds R.S. 6:1401-1403)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Modify the definition of "service".
2. Remove the requirement that certain actions be done knowingly or recklessly in order for such activity to be prohibited pursuant to proposed law.
3. Remove provisions relative to the enforcement of proposed law.
4. Make technical changes.