

2022 Regular Session

HOUSE BILL NO. 789

BY REPRESENTATIVE WILLARD

1 AN ACT

2 To enact Chapter 22 of Title 6 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 6:1401 through 1404, relative to private education lenders; to create a  
4 registry; to provide for required contents; to allow for enforcement; to provide for  
5 rulemaking; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. Chapter 22 of Title 6 of the Louisiana Revised Statutes of 1950,  
8 comprised of R.S. 6:1401 through 1404, is hereby enacted to read as follows:

9 CHAPTER 22. PRIVATE STUDENT LOAN REGISTRY

10 §1401. Definitions

11 For purposes of this Chapter the following words have the following  
12 meanings:

13 (1) "Commissioner" means the commissioner of the Office of Financial  
14 Institutions.

15 (2) "Private education lender" means any person engaged in the business of  
16 securing, making, or extending a private education loan, or any holder of a private  
17 education loan. "Private education lender" shall not include any person who  
18 services a private education loan, to the extent such person does not also secure,  
19 make, extend, or own the loan. "Private education lender" shall not include any  
20 federally insured financial institution, its subsidiaries, and affiliates.

21 (3) "Private education loan" means an extension of credit or a debt or  
22 obligation owed or incurred by a consumer, contractual or otherwise, contingent or  
23 absolute, that meets all of the following criteria:

1           (a) Is not made, insured, or guaranteed under Title IV of the Higher  
2           Education Act of 1965 (20 U.S.C. 1070 et seq.).

3           (b) Is extended to or owed or incurred by a consumer expressly, in whole or  
4           in part, for postsecondary education expenses, regardless of whether the extension  
5           of credit or debt or obligation owed or incurred is provided by the provider of  
6           postsecondary education that the student attends.

7           (c) Does not include any loan that is secured by immovable property or a  
8           dwelling.

9           (4) "Provider of postsecondary education" means a person engaged in the  
10          business of providing postsecondary education, via correspondence, online, or in this  
11          state, to a person located in this state.

12          §1402. Private education lender registry

13          A. No person shall engage in business as a private education lender in this  
14          state without first satisfying the requirements set forth in Subsection B of this  
15          Section.

16          B. A private education lender operating in this state shall do all of the  
17          following:

18           (1) Register with the commissioner pursuant to any registration procedures  
19           set forth by the commissioner by rule, which may include the payment of a fee set  
20           by the commissioner by rule and registration through the Nationwide Multistate  
21           Licensing System and Registry. The commissioner may prescribe an alternative  
22           registration process and fee structure for a provider of postsecondary education. The  
23           registration requirements of this Paragraph shall not apply to a licensed lender  
24           pursuant to R.S. 9:3557 or any bank, savings bank, savings and loan association, or  
25           credit union operating pursuant to authority granted by the commissioner.

26           (2) Provide the commissioner with the following documents and  
27           information:

28           (a) A list of all schools at which the private education lender has provided  
29           a private education loan to a student residing in this state.

1                   **(b) The total number and dollar amount of private education loans made**  
 2                   **annually to students residing in this state.**

3                   **(c) The total number and dollar amount of private education loans made**  
 4                   **annually at each school as identified in Subparagraph (a) of this Paragraph.**

5                   **(d) The range of starting interest rates and percentage of applicants who**  
 6                   **receive those rates.**

7                   **(e) The default rate for borrowers obtaining private education loans from the**  
 8                   **private education lender, if applicable, including the default rate for private**  
 9                   **education loans made to students for each school listed pursuant to Subparagraph (a)**  
 10                   **of this Paragraph.**

11                   **(f) A copy of the promissory note, agreement, contract or other instrument**  
 12                   **used by a private education lender during the previous year to substantiate that a**  
 13                   **private education loan has been extended to the consumer or that a consumer owes**  
 14                   **a debt to the private education lender.**

15                   **(g) The total number and dollar amount of private education loans made with**  
 16                   **a cosigner annually.**

17                   **(3) Provide to the commissioner the documents and information enumerated**  
 18                   **in Paragraph (B)(2) of this Section pursuant to any procedures set forth by the**  
 19                   **commissioner, which may include reporting through the Nationwide Multistate**  
 20                   **Licensing System and Registry.**

21                   **C. Not later than one year following enactment of this Chapter, the**  
 22                   **commissioner shall create a publicly accessible website that includes the following**  
 23                   **information about private education lenders registered in this state:**

24                   **(1) The name, address, telephone number, and website for all registered**  
 25                   **private education lenders.**

26                   **(2) A summary of the information required by Paragraph (B)(2) of this**  
 27                   **Section.**

28                   **(3) Copies of all promissory notes, agreements, contracts, or other**  
 29                   **instruments provided to the commissioner as required by Subparagraph (B)(2)(f) of**  
 30                   **this Section.**

1           §1403. Violations

2                   The commissioner may enforce the provisions of this Chapter using the  
3           commissioner's authority pursuant to R.S. 6:121.1. Each violation of this Chapter,  
4           including any order, rule, or regulation made or issued pursuant to this Chapter, shall  
5           constitute a separate offense.

6           §1404. Rules

7                   The commissioner shall promulgate rules as are necessary to implement the  
8           provisions of this Chapter.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_