

GREEN SHEET REDIGEST

HB 789

2022 Regular Session

Willard

FINANCIAL INSTITUTIONS: Provides relative to the student loan lenders.

DIGEST

Proposed law defines "commissioner", "private education lender", "private education loan", and "provider of postsecondary education".

Proposed law provides that federally insured financial institutions, its subsidiaries, and affiliates are not considered private education lenders.

Proposed law requires all private education lenders in the state to register with the commissioner and provide certain information and documentation relative to the private education loans handled by the lender.

Proposed law requires the commissioner of the office of financial institutions to use the information collected to create a public website compiling certain information regarding private lenders in the state and documentation of this information.

Proposed law requires the commissioner to create the website within one year of enactment of proposed law.

Proposed law allows the commissioner to set a registration fee and to develop an alternative registration process and fee structure for a provider of postsecondary education.

Proposed law may be enforced by the commissioner pursuant to authority provided in present law.

Proposed law requires the commissioner to make rules to carry out proposed law.

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

Summary of Amendments Adopted by House

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

1. Provide additional parameters relative to the definition of "private education lender".
2. Add a definition for "private education loan".
3. Allow the commissioner to set a registration fee by rule.
4. Allow the commissioner to provide an alternative registration process and fee structure for a provider of postsecondary education.
5. Remove the one-year period in which a private education lender can provide certain documents and information.
6. Specify that loans are to be indicated by a total number and dollar amount of the loans.
7. Add a requirement that a private lender include the default rate for private education loans in the information provided to the commissioner.

8. Provide for the authority in present law by which the commissioner can enforce proposed law.
9. Reduce the civil penalty that may be imposed by the commissioner from a maximum of \$25,000 to a maximum of \$1,000.
10. Remove provisions of proposed law that allow the commissioner to prohibit a violating lender from acting as a private education lender for 10 years.
11. Remove provisions of proposed law that impose liability on a private education lender for a violation of proposed law.
12. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Remove a provision of proposed law that allows a the commissioner of the office of financial institutions to impose a civil money penalty on a person found to be in violation of proposed law.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Exclude federally insured financial institutions, its subsidiaries, and affiliates from the definition of "private education lender".