

RÉSUMÉ DIGEST

ACT 710 (HB 610)

2022 Regular Session

Green

New law defines the terms "nonconforming payment", "service" or "servicing", "student education loan", "student loan borrower", and "student loan servicer".

New law prohibits a student loan servicer from doing all of 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 misrepresentation of fact or omission of material fact.
- (5) Allocating a nonconforming payment in a manner other than as directed by the borrower under certain circumstances.
- (6) Misapplying or refusing to correct a misapplication of a payment.
- (7) Providing inaccurate information to a consumer reporting agency or refusing 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 by a state or local government agency.

New 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.

New law requires a student loan servicer to acknowledge receipt of a written inquiry or complaint from a borrower. Such acknowledgment must be within 10 days after receiving the written inquiry or complaint.

New law requires a student loan servicer to respond within 30 days to a written inquiry or complaint of a borrower.

New law requires a student loan servicer to provide certain information in response to a written inquiry or complaint of a borrower.

If a student loan servicer receives a nonconforming payment from a borrower, new law requires the student loan servicer to notify the borrower and determine from the borrower how the nonconforming payment shall be applied.

Effective August 1, 2022.

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