SENATE AMENDMENTS TO
SENATE BILL 279
By COMMITTEE ON JUDICIARY
April 10

On page 2 of the printed bill, line 14, delete the period and insert “including, but not limited to, performing any of the following actions during periods in which a payment on a student loan is not due:

“(A) Maintaining account records for the student loan;
“(B) Communicating with the borrower about the student loan on behalf of the lender; or
“(C) Interacting with a borrower to prevent a default on a student loan or to enable the activities described in paragraphs (a) and (b) of this subsection.”.

Delete line 21.
In line 22, delete “(c)” and insert “(b)”.
Delete lines 26 through 30 and insert:
“(c) An attorney who is licensed or otherwise authorized to practice law in this state if the attorney services a student loan only incidentally in the course of practicing law.
“(d) A public body, as defined in ORS 174.109.
“(e) A public university listed in ORS 352.002.
“(f) A community college, as defined in ORS 341.005.
“(g) The Oregon Health and Science University.
“(h) A nonprofit, private, post-secondary institution that the Higher Education Coordinating Commission has authorized to confer academic degrees under ORS 348.594 to 348.615.
“(i) A state agency or a private nonprofit institution or organization that has an agreement with the United States Secretary of Education under section 428(b) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)), solely to the extent of the agency’s, institution’s or organization’s actions as a guarantor that engages in averting defaults. The exemption set forth in this paragraph does not extend to the agency’s, institution’s or organization’s actions in servicing a student loan.”.

In line 31, delete “(f)” and insert “(j)”.

On page 3, after line 6, insert:
“(5) The director may waive or modify a requirement set forth in this section if the director determines that a person’s compliance with the requirement would cause the person to violate federal law.”.

In line 16, delete “, registered agents”.
In line 41, after “(4)(a)” insert “Except as provided in paragraph (c) of this subsection.”.
On page 4, line 22, after “pardoned” insert “or expunged”.
After line 22, insert:
“(c) The director shall:
“(i) Find that an applicant that services a student loan under a contract with the United States Secretary of Education under 20 U.S.C. 1087f meets the criteria set forth in paragraph (a) of this
subsection without the need to comply with the procedures set forth in subsections (2) and (3) of this section, except that the applicant must pay the fee required under subsection (3) of this section and identify a registered agent in this state or appoint the director as the applicant's registered agent; and

“(ii) Issue and renew a license for an applicant that is described in and complies with the provisions of sub-subparagraph (i) of this subparagraph.

“(B) Except as otherwise provided in this paragraph, a licensee that obtains a license under this paragraph is subject to all of the requirements and conditions set forth in sections 1 to 11 of this 2019 Act.

“(d) A licensee that obtained a license under paragraph (c) of this subsection shall notify the director in writing within seven days after the date on which the contract described in paragraph (c)(A) of this subsection expires or terminates. At the expiration or termination of the contract, the licensee becomes subject to the criteria set forth in this subsection and subsections (2) and (3) of this section and, to continue to service a student loan in this state, must meet the criteria within 30 days after the date on which the contract expires or terminates. The director shall suspend the license of a licensee described in this paragraph that fails to meet the criteria.”.

In line 23, after “(5)(a)” insert “Except as provided in paragraph (c) of this subsection.”.

After line 28, insert:

“(C) Has had a license to service a student loan denied or revoked in another jurisdiction;”.

In line 29, delete “(C)” and insert “(D)”.

In line 31, delete “(D)” and insert “(E)”.

After line 33, insert:

“(c) The director may not deny, revoke or decline to renew a license the director issues under subsection (4)(c) of this section, but the director may place conditions on issuing or renewing the license.”.

In line 39, after “renewal” insert “30 days”.

On page 5, line 6, after “section” delete the rest of the line.

In line 7, delete “cense to the notice the licensee provides to the director under section 6 of this 2019 Act”.

In line 25, delete “(1)(a)” and insert “(1)”.

Delete lines 31 through 36.

In line 45, after the semicolon insert “and”.

On page 6, delete lines 1 and 2.

In line 3, delete “(C)” and insert “(B)”.

Delete lines 5 through 7.

In line 20, delete “with which the director filed an inventory under subsection (2)(b)(B) of this section” and insert “in the county in which the licensee’s principal place of business in this state is located”.

In line 21, delete “tion”.

On page 8, line 6, after “(1)” insert “Except as otherwise required under federal law, in a federal student loan agreement or in a contract between the federal government and a person that services a student loan,”.

In line 10, after “payments” insert “or notifications of payment”.

In line 12, after “payment” insert “or notification of payment”.

After line 18, insert:
“(d) Maintain adequate records of each student loan transaction for not less than two years, or
a period otherwise specified by law, after a final payment on a student loan or after the person as-
signs the student loan, whichever occurs first. At the request of the Director of the Department of
Consumer and Business Services and within five days after the request or within the time the di-
rector specifies in the request, the person shall make the records available to the director or send
the records to the director in the manner the director specifies by rule.”.

Delete lines 34 through 39 and insert:
“(g) Fail to respond within 21 calendar days to a consumer complaint or other communication
from the student loan ombudsman at the Department of Consumer and Business Services, or within
a reasonable time that the student loan ombudsman specifies in the communication. The person may
request in writing that the student loan ombudsman allow not more than 30 additional calendar days
within which to respond if in the request the person explains why the additional time is reasonable
and necessary.

“(3) Subsections (1) and (2) of this section do not apply to:
“(a) A financial institution, as defined in ORS 706.008.
“(b) A financial holding company or bank holding company, both as defined in ORS 706.008, if
the financial holding company or bank holding company does no more than control an affiliate or
subsidiary, as defined in 12 U.S.C. 1841(d), and does not engage in business as a student loan
servicer.
“(c) An attorney who is licensed or otherwise authorized to practice law in this state if the at-
torney services a student loan only incidentally in the course of practicing law.
“(d) A public body, as defined in ORS 174.109.
“(e) A public university listed in ORS 352.002.
“(f) A community college, as defined in ORS 341.005.
“(g) The Oregon Health and Science University.
“(h) A nonprofit, private, post-secondary institution that the Higher Education Coordinating
Commission has authorized to confer academic degrees under ORS 348.594 to 348.615.”.

On page 10, line 31, delete “January” and insert “July”.

Delete lines 41 through 45 and delete page 11 and insert:

“SECTION 12. (1) As used in this section:
“(a) ‘Borrower’ has the meaning given that term in section 1 of this 2019 Act.
“(b) ‘Person’ has the meaning given that term in section 1 of this 2019 Act.
“(c) ‘Service a student loan’ has the meaning given that term in section 1 of this 2019 Act.

“(d) ‘Student loan’ has the meaning given that term in section 1 of this 2019 Act.
“(2) The Higher Education Coordinating Commission shall develop and operate a student
loan counseling program that targets borrowers who are repaying or soon will repay a student
loan for the purpose of:
“(a) Informing the borrowers of the rights and responsibilities the borrowers have under
the terms of the student loan agreement into which the borrowers have entered;
“(b) Advising the borrowers concerning how to work with a person that services a student
loan to modify the terms of a student loan agreement; and
“(c) Assisting the borrowers in avoiding defaults on student loans.
“(3) At the request of the Director of the Department of Consumer and Business Ser-
vices, the commission shall provide the director with information about the program de-
scribed in subsection (1) of this section and about the interactions that persons that service
student loans have with borrowers.

“(4) The commission may enter into contracts or agreements with public or private en-
tities for the purpose of carrying out the commission's duties under this section.

“(5) The commission may adopt rules that are reasonably necessary to implement the
provisions of this section.

SECTION 13. In addition to and not in lieu of any other appropriation, there is appro-
priated to the Higher Education Coordinating Commission, for the biennium beginning July
1, 2019, out of the General Fund, the amount of $____ for the purpose of carrying out the
commission's functions and duties under section 12 of this 2019 Act.

SECTION 14. Sections 1 to 11 of this 2019 Act apply to actions that a person takes to
service a student loan on or after the operative date specified in section 15 of this 2019 Act.

SECTION 15. (1) Sections 1 to 12 of this 2019 Act become operative on July 1, 2020.

“(2) The Director of the Department of Consumer and Business Services and the Higher
Education Coordinating Commission may adopt rules and take any other action before the
operative date specified in subsection (1) of this section that is necessary to enable the di-
rector or the commission, on and after the operative date specified in subsection (1) of this
section, to exercise all of the duties, functions and powers conferred on the director or the
commission by sections 1 to 12 of this 2019 Act.

SECTION 16. This 2019 Act being necessary for the immediate preservation of the public
peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
on its passage.”.