

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 485**81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Tim Walker
Reviewed by: Doug Wilson, Ben Ruef
Date: 06/04/2021**Measure Description:**

Requires certain persons that service student loans in this state to obtain or renew license.

Government Unit(s) Affected:

Public Universities, Community Colleges, Department of Consumer and Business Services (DCBS), Higher Education Coordinating Commission (HECC)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
Other Funds	362,436	485,878
Total Funds	\$362,436	\$485,878
Positions	2	2
FTE	1.34	2.00

Analysis: The measure establishes a regulatory program for student loan servicers (Servicers) and requires Servicers to obtain a license from the Department of Consumer and Business Services (DCBS) to service a loan, either directly or indirectly, in Oregon and defines ‘student loan servicing’ and sets minimum net worth and liquidity requirements and other substantive compliance obligations to obtain and maintain the license. DCBS would have authority to take control of a failing licensee’s property, business, and assets, or petition the court for a receiver. The bill allows DCBS to require licensing through the Nationwide Multistate Licensing System (NMLS) which provides for fingerprint based state and national criminal history and background check as part of the application approval process. DCBS would set the application form and content requirements by rule, including the license and renewal fee, and surety bond requirements. The measure also requires DCBS to designate a student loan ombudsman to:

- Receive, review and attempt to resolve complaints from borrowers;
- Compile and analyze data on consumer complaints;
- Analyze the student loan market and state and federal regulatory frameworks and make recommendations to state agencies and the legislature; and
- Establish a borrower education program

DCBS anticipates one Program Analyst 3 (0.71 FTE) to act as the Student Loan Ombudsman and perform program oversight and analysis and one Financial Examiner 1 (0.63 FTE) to act as a Licensing Specialist and Compliance Examiner to process Servicer applications and renewals, ensure licensing requirements are met, and handle inquiries pertaining to Servicer licensing and examinations.

The Higher Education Coordinating Commission does not anticipate a fiscal impact due to this measure.