



Private Student Lender Registry

I. Definitions

- A. "Student financing company" means any person engaged in the business of securing, making, or extending credit to a consumer for postsecondary education expenses, or any holder of a debt incurred by a consumer to finance postsecondary education expenses. "Student financing company" shall not include the following persons, only to the extent that state regulation is preempted by federal law:
1. Any federally chartered bank, savings bank, savings and loan association, or credit union;
 2. Any wholly owned subsidiary of a federally chartered bank or credit union; and
 3. Any operating subsidiary where each owner of the operating subsidiary is wholly owned by the same federally chartered bank or credit union.
- B. "Student financing" means:
1. An extension of credit that:
 - i. Is not made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. s.1070 et seq.);
 - ii. Is extended to a consumer expressly, in whole or in part, for postsecondary educational expenses, regardless of whether the extension of credit is provided by the provider of postsecondary education that the student attends; and
 - iii. Shall not include any loan that is secured by real property or a dwelling; or
 2. A debt or obligation owed or incurred by a consumer, contractual or otherwise, that:



- i. Is not a loan made, insured, or guaranteed under Title IV of the Higher Education Act of 1965 (20 U.S.C. s.1070 et seq.);
 - ii. Is incurred by the consumer, in whole or in part, expressly to finance postsecondary education expenses regardless of whether the debt incurred is owed to the provider of postsecondary education that the student attends; and
 - iii. Shall not include any loan that is secured by real property or a dwelling.
- C. "Provider of postsecondary education" means a person engaged in the business of providing postsecondary education, via correspondence, online, or in this state, to a person located in this state. For the purposes of this definition, a person need not have obtained authorization from the State Authorizer to operate in this state and need not be an accredited postsecondary institution.

II. **STUDENT FINANCING COMPANY REGISTRY**

- A. No person shall engage in business as a student financing company in this state without first satisfying the requirements set forth in paragraph (B) of this subdivision.
- B. A student financing company operating in this state shall:
 - 1. Register with the commissioner pursuant to any registration procedures set forth by the commissioner by rule.
 - 2. Provide the commissioner, at the time of registration and not less than once per year thereafter, with the following documents and information:
 - i. A list of all schools at which a person has provided student financing to a student residing in this state;
 - ii. The volume of loans made annually to students residing in this state;
 - iii. The volume of loans made annually at each school identified under paragraph (i);



- iv. The default rate for borrowers obtaining student financing from the student financing firm, if applicable; and
 - v. A copy of the promissory note, agreement, contract or other instrument used by a student financing company during the previous year to substantiate that student financing has been extended to the consumer or that a consumer owes a debt to the student financing company.
 - C. Not later than one year following enactment of this Act, the commissioner shall create a publicly accessible website that includes the following information about student financing companies registered in this state:
 - 1. The name, address, telephone number and website for all registered student financing companies;
 - 2. A summary of the information required under paragraphs (B)(2)(i)-(iv); and
 - 3. Copies of all promissory notes, agreements, contracts, or other instruments provided to the commissioner under paragraph (B)(2)(v).
 - D. The commissioner may impose a civil penalty not exceeding \$25,000 on any person for a violation of this act. Each violation of the act, including any order, rule or regulation made or issued pursuant to the act, shall constitute a separate offense. Additionally, each violation which constitutes a knowing violation shall be considered a crime of the third degree.
- III. The commissioner may order that any person who has been found to have knowingly violated any provision of this act, or of the rules and regulations issued pursuant thereto, and has thereby caused financial harm to consumers, be barred for a term not exceeding 10 years from acting as a student financing company, or a stockholder, or an officer, director, partner or other owner, or an employee of a student financing company. A violation of an order shall be a crime of the third degree.