

State Corporation Commission 2022 Fiscal Impact Statement

1. Bill Number: SB 496

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|-----------------|--------------------------|--------------|--------------------------|------------|-------------------------------------|-----------|
| House of Origin | <input type="checkbox"/> | Introduced | <input type="checkbox"/> | Substitute | <input type="checkbox"/> | Engrossed |
| Second House | <input type="checkbox"/> | In Committee | <input type="checkbox"/> | Substitute | <input checked="" type="checkbox"/> | Enrolled |

2. Patron: Lewis

3. Committee: Passed both houses

4. Title: Financial institutions; qualified education loan servicers; definition.

5. Summary: Provides that a "qualified education loan servicer" means any person that meets all of the following criteria: (i) receives any scheduled periodic payments from a qualified education loan borrower or notification of such payments or applies payments to the qualified education loan borrower's account pursuant to the terms of the qualified education loan or the contract governing the servicing; (ii) during a period when no payment is required on a qualified education loan, maintains account records for the qualified education loan and communicates with the qualified education loan borrower regarding the qualified education loan, on behalf of the qualified education loan's holder; and (iii) interacts with a qualified education loan borrower, which includes conducting activities to help prevent default on obligations arising from qualified education loans or to facilitate certain activities. Under current law, a person is a "qualified education loan servicer" if the person meets any one or more of such criteria.

The bill provides that "servicing" means undertaking all of the following activities: (a) receiving any scheduled periodic payments from a qualified education loan borrower or notification of such payments or applying the payments of principal and interest and such other payments, with respect to the amounts received from a qualified education loan borrower, as may be required pursuant to the terms of a qualified education loan; (b) during a period when no payment is required on a qualified education loan, maintaining account records for the loan and communicating with the qualified education loan borrower regarding the qualified education loan, on behalf of the qualified education loan's holder; and interacting with a qualified education loan borrower, including conducting activities to help prevent default on obligations arising from qualified education loans or to facilitate any such activity. Under current law, "servicing" means undertaking any one or more of such activities.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Fiscal Impact Estimates are Final. See Item 8.

8. Fiscal Implications: No fiscal impact.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission, Bureau of Financial Institutions and Office of the Qualified Education Loan Ombudsman, State Council of Higher Education for Virginia.

10. Technical Amendment Necessary: No.

11. Other Comments: SB 496 is identical to HB 203.

EJF 03/09/2022