

AN ACT

D.C. ACT 21-571

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DECEMBER 7, 2016

To amend the Department of Insurance and Securities Regulation Establishment Act of 1996 to establish a Student Loan Ombudsman within the Department of Insurance, Securities, and Banking, and to regulate student loan servicers.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Student Loan Ombudsman Establishment and Servicing Regulation Amendment Act of 2016”.

Sec. 2. The Department of Insurance and Securities Regulation Establishment Act of 1996, effective May 21, 1997 (D.C. Law 11-268; D.C. Official Code § 31-101 *et seq.*), is amended as follows:

(a) Section 101 (D.C. Official Code § 31-101) is amended as follows:

(1) New paragraphs (6A) and (6B) are added to read as follows:

“(6A) “Licensee” means the holder of a SLS license.

“(6B) “Ombudsman” means the position of Student Loan Ombudsman established within the Department by section 7a.”.

(2) New paragraphs (8), (9), (10), (11), and (12) are added to read as follows:

“(8) “Student education loan” means a loan obtained for personal use to finance education or other school-related expenses.

“(9) “Student loan borrower” means a resident of the District of Columbia who has received or agreed to pay a student education loan, or a person who shares legal responsibility with such a resident for the repayment of a student education loan.

“(10) “Student loan servicer” means a person or entity, whether located within or outside the District, responsible for the servicing of a student education loan of a student loan borrower.

“(11) “Student loan servicing” means the process of collecting payments and interest and performing other administrative tasks associated with maintaining a student education loan. The term “student loan servicing” includes:

“(A) Receiving any scheduled periodic payments from a student loan borrower or notification of payments;

“(B) Applying payments to the student loan borrower’s account pursuant to the terms of the student education loan or contract governing the servicing;