

Date of Hearing:

**ASSEMBLY COMMITTEE ON BANKING AND FINANCE**

Monique Limón, Chair

AB 2921 (Mark Stone) – As Amended March 12, 2020

**SUBJECT:** Student Loan Servicing Act: student loan accounts

**SUMMARY:** Provides a clarifying and technical amendment related to the Student Loan Servicing Act.

Specifically, **this bill:**

- 1) Defines “student loan account” as a student loan or loans grouped together for billing purposes by a student loan servicer.
- 2) Replaces instances of “account” with “student loan account” in specified sections of the Student Loan Servicing Act.

**EXISTING LAW:**

- 1) Provides for the licensure and regulation of student loan servicers (Division 12.5 of the Financial Code, Section 28100 et seq.)

**FISCAL EFFECT:** Unknown.

**COMMENTS:**

1) **PURPOSE**

According to the author,

AB 2921 is a simple bill that will remove potential confusion under the existing student loan servicing act. By specifically defining student loan account and including specific references to the type of account, there will be no misunderstandings when complying with the law.

2) **NEED FOR CLARIFICATION**

AB 2251 of 2016 enacted the Student Loan Servicing Act (SLSA), making California the second state to establish a licensure and regulatory framework for student loan servicers. Pursuant to SLSA, student loan servicers are required to take specified actions that are intended to benefit student loan borrowers. In two sections of SLSA, the statute uses the term “account” without specifying whether the term refers to a student loan account, an external bank account, or some other type of account. This bill would clarify the intention of the term “account” by creating a new definition of “student loan account” and replacing the existing instances of “account” with “student loan account” in those two code sections.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Federation of Teachers

**Opposition**

None received.

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