

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-0482.02 Thomas Morris x4218

SENATE BILL 19-002

SENATE SPONSORSHIP

Winter and Fenberg,

HOUSE SPONSORSHIP

(None),

Senate Committees
Education

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF STUDENT EDUCATION LOAN**
102 **SERVICERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires an entity that services a student education loan to be licensed by the administrator of the "Uniform Consumer Credit Code". "Servicing" means receiving a scheduled periodic payment from a student loan borrower, applying the payments of principal and interest with respect to the amounts received from a student loan borrower, and similar administrative services. The bill also creates a student loan ombudsperson

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

to provide timely assistance to student loan borrowers.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby:

4 (a) Finds that:

5 (I) Student loan debt has reached a crisis point. More than
6 44,000,000 individuals in the United States owe some amount of student
7 loan debt. Total student loan debt in the United States currently exceeds
8 \$1.48 trillion, surpassing both the amount of credit card debt and car
9 loans. With tuition and other college costs on the rise, student loan debt
10 continues to rise, with no clear reduction in sight.

11 (II) According to the Institute for College Access and Success, 52
12 percent of Colorado's students graduate with student loan debt, with an
13 average balance of \$26,530. There are approximately 761,000 student
14 loan borrowers in Colorado, and the total student loan debt outstanding
15 for Coloradans is approximately \$26 billion.

16 (III) Student loan debt is a hindrance to the state's economy,
17 preventing borrowers from achieving financial independence, buying
18 property, starting businesses, and otherwise investing in Colorado's
19 economy;

20 (b) Determines that:

21 (I) Student loan servicers administer student loans, serving as a
22 critical link between borrowers and lenders in managing accounts,
23 processing payments, and communicating directly with borrowers.
24 Despite this critical relationship, according to the federal consumer
25 financial protection bureau (CFPB), there are no consistent, market-wide

1 federal standards for student loan servicing.

2 (II) The CFPB released a report in September of 2015 that found
3 that student loan borrowers encounter servicers that discourage
4 borrower-friendly alternative payment plans, fail to respond to questions
5 and payment processing errors, and fail to provide sufficient information
6 to borrowers regarding payments, benefits, interest rates, and other
7 charges; and

8 (III) A report released in March of 2017 found that Coloradans
9 complained to the CFPB 124 times about their student loan servicers in
10 2017 alone, and that nationally, complaints against servicers had
11 increased by 429 percent compared to data collected in 2016; and

12 (c) Declares that the general assembly intends by the enactment
13 of this act to promote all of the following:

14 (I) Meaningful access to federal affordable repayment and loan
15 forgiveness benefits;

16 (II) Reliable information about student loans and loan repayment
17 options; and

18 (III) Quality customer service and fair treatment.

19 **SECTION 2.** In Colorado Revised Statutes, **add** 5-2-311 as
20 follows:

21 **5-2-311. Student loan servicers - definitions - report - fund -**
22 **rules - repeal. (1) Definitions.** AS USED IN THIS SECTION AND WITH
23 REGARD TO STUDENT EDUCATION LOANS, STUDENT LOAN SERVICERS, AND
24 STUDENT LOAN BORROWERS ONLY:

25 (a) "RECORD" MEANS INFORMATION THAT IS INSCRIBED ON A
26 TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER
27 MEDIUM AND IS RETRIEVABLE IN PERCEIVABLE FORM.

1 (b) "SERVICING" MEANS:

2 (I) RECEIVING A SCHEDULED PERIODIC PAYMENT FROM A STUDENT
3 LOAN BORROWER PURSUANT TO THE TERMS OF A STUDENT EDUCATION
4 LOAN;

5 (II) APPLYING THE PAYMENTS OF PRINCIPAL, INTEREST, AND SUCH
6 OTHER PAYMENTS WITH RESPECT TO THE AMOUNTS RECEIVED FROM A
7 STUDENT LOAN BORROWER AS MAY BE REQUIRED PURSUANT TO THE
8 TERMS OF A STUDENT EDUCATION LOAN; AND

9 (III) PERFORMING OTHER ADMINISTRATIVE SERVICES WITH
10 RESPECT TO A STUDENT EDUCATION LOAN.

11 (c) "STUDENT EDUCATION LOAN" MEANS A CONSUMER CREDIT
12 TRANSACTION THAT IS NOT, BUT FOR THIS SECTION, A CONSUMER CREDIT
13 TRANSACTION FOR WHICH A LICENSE IS REQUIRED PURSUANT TO SECTION
14 5-2-301, AND THAT IS USED TO FINANCE EDUCATION OR OTHER
15 SCHOOL-RELATED EXPENSES; EXCEPT THAT, FOR PURPOSES OF
16 IMPLEMENTING THIS SECTION IN CONNECTION WITH OTHER PROVISIONS OF
17 THIS PART 3 ONLY, A CONSUMER CREDIT TRANSACTION INCLUDES THOSE
18 TRANSACTIONS IN WHICH THE PRINCIPAL OR THE AMOUNT FINANCED
19 EXCEEDS SEVENTY-FIVE THOUSAND DOLLARS.

20 (d) "STUDENT LOAN BORROWER" MEANS:

21 (I) AN INDIVIDUAL WHO HAS RECEIVED OR AGREED TO PAY A
22 STUDENT EDUCATION LOAN; OR

23 (II) AN INDIVIDUAL WHO SHARES RESPONSIBILITY WITH THE
24 INDIVIDUAL SPECIFIED IN SUBSECTION (1)(d)(I) OF THIS SECTION FOR
25 REPAYING THE STUDENT EDUCATION LOAN.

26 (e) "STUDENT LOAN SERVICER" MEANS A PERSON, WHEREVER
27 LOCATED, RESPONSIBLE FOR THE SERVICING OF A STUDENT EDUCATION

1 LOAN TO A STUDENT LOAN BORROWER.

2 (f) "SUPERVISED LENDER", FOR THE PURPOSES OF IMPLEMENTING
3 THIS SECTION IN CONNECTION WITH OTHER PROVISIONS OF THIS PART 3
4 ONLY AND WITH REGARD TO THE SERVICING OF A STUDENT EDUCATION
5 LOAN BY A STUDENT LOAN SERVICER ONLY, INCLUDES A STUDENT LOAN
6 SERVICER.

7 (2) **Student loan ombudsperson.** THE ADMINISTRATOR SHALL,
8 USING LICENSING AND INVESTIGATION FEES COLLECTED PURSUANT TO
9 SUBSECTION (5) OF THIS SECTION, SUPPORT, MAINTAIN, AND DESIGNATE A
10 STUDENT LOAN OMBUDSPERSON TO PROVIDE TIMELY ASSISTANCE TO
11 STUDENT LOAN BORROWERS. THE STUDENT LOAN OMBUDSPERSON, IN
12 CONSULTATION WITH THE ADMINISTRATOR, SHALL:

13 (a) **Complaints.** RECEIVE, REVIEW, AND ATTEMPT TO RESOLVE
14 COMPLAINTS FROM STUDENT LOAN BORROWERS, INCLUDING IN
15 COLLABORATION WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT
16 LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN
17 LENDING, INCLUDING ORIGINATORS SERVICING THEIR OWN STUDENT
18 EDUCATION LOANS;

19 (b) **Data.** COMPILE AND ANALYZE DATA ON STUDENT LOAN
20 BORROWER COMPLAINTS AS DESCRIBED IN SUBSECTION (2)(a) OF THIS
21 SECTION;

22 (c) **Assistance.** ASSIST STUDENT LOAN BORROWERS IN
23 UNDERSTANDING THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS
24 OF STUDENT EDUCATION LOANS;

25 (d) **Information.** PROVIDE INFORMATION TO THE PUBLIC,
26 AGENCIES, LEGISLATORS, AND OTHERS REGARDING THE PROBLEMS AND
27 CONCERNS OF STUDENT LOAN BORROWERS AND MAKE RECOMMENDATIONS

1 FOR RESOLVING THOSE PROBLEMS AND CONCERNS;

2 (e) **Laws, rules, and policies.** ANALYZE AND MONITOR THE
3 DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL
4 LAWS, ORDINANCES, REGULATIONS, RULES, AND POLICIES RELATING TO
5 STUDENT LOAN BORROWERS AND RECOMMEND ANY NECESSARY CHANGES;

6 (f) **Student loan history.** REVIEW THE COMPLETE STUDENT
7 EDUCATION LOAN HISTORY FOR A STUDENT LOAN BORROWER WHO
8 PROVIDES WRITTEN CONSENT FOR THE REVIEW;

9 (g) **Availability.** DISSEMINATE INFORMATION CONCERNING THE
10 AVAILABILITY OF THE STUDENT LOAN OMBUDSPERSON TO ASSIST STUDENT
11 LOAN BORROWERS AND POTENTIAL STUDENT LOAN BORROWERS,
12 INCLUDING DISSEMINATING THE INFORMATION TO INSTITUTIONS OF HIGHER
13 EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN
14 STUDENT EDUCATION LOAN LENDING WITH ANY SERVICING CONCERNS;

15 (h) **Education course.** ESTABLISH AND MAINTAIN A STUDENT
16 LOAN BORROWER EDUCATION COURSE WITHIN EXISTING RESOURCES THAT
17 INCLUDES EDUCATIONAL PRESENTATIONS AND MATERIALS REGARDING
18 STUDENT EDUCATION LOANS. THE COURSE MUST INCLUDE, BUT IS NOT
19 LIMITED TO, KEY LOAN TERMS, DOCUMENTATION REQUIREMENTS,
20 MONTHLY PAYMENT OBLIGATIONS, INCOME-BASED REPAYMENT OPTIONS,
21 LOAN FORGIVENESS, AND DISCLOSURE REQUIREMENTS.

22 (i) **Other actions.** TAKE ANY OTHER ACTIONS NECESSARY TO
23 FULFILL THE DUTIES OF THE STUDENT LOAN OMBUDSPERSON AS SET FORTH
24 IN THIS SECTION.

25 (3) (a) **Annual report.** THE ADMINISTRATOR SHALL SUBMIT A
26 REPORT BY JANUARY 1 OF EACH YEAR TO THE JOINT STANDING
27 COMMITTEES OF THE GENERAL ASSEMBLY HAVING JURISDICTION OVER

1 EDUCATION, INSURANCE, AND FINANCIAL SERVICES MATTERS. THE REPORT
2 MUST INCLUDE:

3 (I) **Implementation.** A DESCRIPTION OF ACTIONS TAKEN WITH
4 RESPECT TO THE IMPLEMENTATION OF THIS SECTION;

5 (II) **Effectiveness.** AN ASSESSMENT OF THE OVERALL
6 EFFECTIVENESS OF THE STUDENT LOAN OMBUDSPERSON; AND

7 (III) **Additional steps.** RECOMMENDATIONS REGARDING
8 ADDITIONAL STEPS FOR THE ADMINISTRATOR TO GAIN REGULATORY
9 CONTROL OVER LICENSING AND ENFORCEMENT WITH RESPECT TO STUDENT
10 LOAN SERVICERS.

11 (b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE SEPTEMBER 1,
12 2023.

13 (4) **Student loan ombudsperson and student loan servicer**
14 **licensing fund.** (a) THE STUDENT LOAN OMBUDSPERSON AND STUDENT
15 LOAN SERVICER LICENSING FUND, REFERRED TO IN THIS SECTION AS THE
16 "FUND", IS HEREBY CREATED IN THE STATE TREASURY. THE FUND
17 CONSISTS OF LICENSING AND INVESTIGATION FEES COLLECTED PURSUANT
18 TO SUBSECTION (5) OF THIS SECTION, ANY OTHER MONEY REQUIRED BY
19 LAW TO BE DEPOSITED IN THE FUND, AND ANY OTHER MONEY THAT THE
20 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

21 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
22 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
23 FUND TO THE FUND.

24 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
25 ASSEMBLY, THE ADMINISTRATOR SHALL EXPEND MONEY HELD IN THE FUND
26 TO ADMINISTER THIS SECTION.

27 (5) **Application.** (a) A PERSON SEEKING TO ACT WITHIN THIS

1 STATE AS A STUDENT LOAN SERVICER MUST APPLY TO THE ADMINISTRATOR
2 FOR AN INITIAL LICENSE IN THE FORM THE ADMINISTRATOR PRESCRIBES.
3 THE APPLICATION MUST BE ACCOMPANIED BY:

4 (I) A FINANCIAL STATEMENT PREPARED BY A CERTIFIED PUBLIC
5 ACCOUNTANT OR A PUBLIC ACCOUNTANT, A GENERAL PARTNER IF THE
6 APPLICANT IS A PARTNERSHIP, A CORPORATE OFFICER IF THE APPLICANT IS
7 A CORPORATION, OR A MEMBER DULY AUTHORIZED TO EXECUTE FINANCIAL
8 STATEMENTS IF THE APPLICANT IS A LIMITED LIABILITY COMPANY OR
9 ASSOCIATION;

10 (II) INFORMATION REGARDING THE HISTORY OF CRIMINAL
11 CONVICTIONS OF THE FOLLOWING:

- 12 (A) THE APPLICANT;
- 13 (B) PARTNERS OF THE APPLICANT, IF THE APPLICANT IS A
14 PARTNERSHIP;
- 15 (C) MEMBERS OF THE APPLICANT, IF THE APPLICANT IS A LIMITED
16 LIABILITY COMPANY OR ASSOCIATION; AND
- 17 (D) OFFICERS, DIRECTORS, AND PRINCIPAL EMPLOYEES OF THE
18 APPLICANT, IF THE APPLICANT IS A CORPORATION;

19 (III) A NONREFUNDABLE LICENSE FEE OF ONE THOUSAND DOLLARS;
20 AND

21 (IV) A NONREFUNDABLE INVESTIGATION FEE ESTABLISHED BY THE
22 ADMINISTRATOR.

23 (b) THE INFORMATION SUBMITTED PURSUANT TO SUBSECTION
24 (5)(a)(II) OF THIS SECTION MUST BE SUFFICIENT, AS DETERMINED BY THE
25 ADMINISTRATOR, TO MAKE THE FINDINGS UNDER SUBSECTION (6) OF THIS
26 SECTION.

27 (6) **Investigation of applicant.** (a) UPON THE FILING OF AN

1 APPLICATION FOR AN INITIAL LICENSE AND THE PAYMENT OF THE FEES FOR
2 LICENSING AND INVESTIGATION PURSUANT TO SUBSECTION (5) OF THIS
3 SECTION, THE ADMINISTRATOR SHALL INVESTIGATE THE FINANCIAL
4 CONDITION AND RESPONSIBILITY, FINANCIAL AND BUSINESS EXPERIENCE,
5 CHARACTER, AND GENERAL FITNESS OF THE APPLICANT.

6 (b) THE ADMINISTRATOR MAY ISSUE A LICENSE PURSUANT TO THIS
7 SECTION IF THE ADMINISTRATOR FINDS THAT:

8 (I) THE APPLICANT'S FINANCIAL CONDITION IS SOUND;

9 (II) THE APPLICANT'S BUSINESS WILL BE CONDUCTED HONESTLY,
10 FAIRLY, EQUITABLY, CAREFULLY, AND EFFICIENTLY WITHIN THE PURPOSES
11 AND INTENT OF THIS CODE AND IN A MANNER COMMANDING THE
12 CONFIDENCE AND TRUST OF THE COMMUNITY;

13 (III) IF THE APPLICANT IS:

14 (A) AN INDIVIDUAL, THE INDIVIDUAL IS IN ALL RESPECTS
15 PROPERLY QUALIFIED AND OF GOOD CHARACTER;

16 (B) A PARTNERSHIP, EACH PARTNER IS IN ALL RESPECTS PROPERLY
17 QUALIFIED AND OF GOOD CHARACTER;

18 (C) A LIMITED LIABILITY COMPANY OR ASSOCIATION, EACH
19 MEMBER IS IN ALL RESPECTS PROPERLY QUALIFIED AND OF GOOD
20 CHARACTER; OR

21 (D) A CORPORATION, THE PRESIDENT, CHAIR OF THE EXECUTIVE
22 COMMITTEE, SENIOR OFFICER RESPONSIBLE FOR THE CORPORATION'S
23 BUSINESS, CHIEF FINANCIAL OFFICER OR ANY OTHER PERSON WHO
24 PERFORMS SIMILAR FUNCTIONS AS DETERMINED BY THE ADMINISTRATOR,
25 EACH DIRECTOR, EACH TRUSTEE, AND EACH SHAREHOLDER OWNING TEN
26 PERCENT OR MORE OF EACH CLASS OF THE SECURITIES OF THE
27 CORPORATION ARE IN ALL RESPECTS PROPERLY QUALIFIED AND OF GOOD

1 CHARACTER;

2 (IV) NO PERSON ACTING ON BEHALF OF THE APPLICANT
3 KNOWINGLY HAS MADE AN INCORRECT STATEMENT OF A MATERIAL FACT
4 IN THE APPLICATION OR IN ANY REPORT OR STATEMENT MADE PURSUANT
5 TO THIS CODE; AND

6 (V) THE APPLICANT HAS MET ANY OTHER REQUIREMENTS AS
7 DETERMINED BY THE ADMINISTRATOR.

8 (7) **License expiration.** A LICENSE ISSUED PURSUANT TO THIS
9 SECTION EXPIRES EACH JANUARY 31, UNLESS RENEWED OR EARLIER
10 SURRENDERED, SUSPENDED, OR REVOKED PURSUANT TO THIS CODE. NO
11 LATER THAN FIFTEEN DAYS AFTER A LICENSEE CEASES TO ENGAGE IN THE
12 BUSINESS OF SERVICING IN THIS STATE FOR ANY REASON, INCLUDING A
13 BUSINESS DECISION TO TERMINATE OPERATIONS IN THIS STATE, LICENSE
14 REVOCATION, BANKRUPTCY, OR VOLUNTARY DISSOLUTION, THE LICENSEE
15 SHALL PROVIDE WRITTEN NOTICE OF SURRENDER TO THE ADMINISTRATOR
16 AND SHALL SURRENDER TO THE ADMINISTRATOR ITS LICENSE FOR EACH
17 LOCATION IN WHICH THE LICENSEE HAS CEASED TO ENGAGE IN SERVICING.
18 THE WRITTEN NOTICE OF SURRENDER MUST IDENTIFY THE LOCATION
19 WHERE THE RECORDS OF THE LICENSEE WILL BE STORED AND THE NAME,
20 ADDRESS, AND TELEPHONE NUMBER OF AN INDIVIDUAL AUTHORIZED TO
21 PROVIDE ACCESS TO THE RECORDS. THE SURRENDER OF A LICENSE DOES
22 NOT REDUCE OR ELIMINATE THE LICENSEE'S CIVIL OR CRIMINAL LIABILITY
23 ARISING FROM ACTS OR OMISSIONS OCCURRING PRIOR TO THE SURRENDER
24 OF THE LICENSE, INCLUDING ANY ADMINISTRATIVE ACTIONS UNDERTAKEN
25 BY THE ADMINISTRATOR TO REVOKE OR SUSPEND A LICENSE, ASSESS A
26 CIVIL PENALTY, ORDER RESTITUTION, OR EXERCISE ANY OTHER AUTHORITY
27 PROVIDED TO THE ADMINISTRATOR.

1 (8) **License renewal.** A LICENSE ISSUED PURSUANT TO THIS
2 SECTION MAY BE RENEWED FOR THE ENSUING TWELVE-MONTH PERIOD
3 UPON THE FILING OF AN APPLICATION CONTAINING ALL REQUIRED
4 DOCUMENTS AND FEES AS PROVIDED IN THIS SECTION. A RENEWAL
5 APPLICATION MUST BE FILED ON OR BEFORE JANUARY 31 OF THE YEAR IN
6 WHICH THE LICENSE EXPIRES. A RENEWAL APPLICATION FILED WITH THE
7 ADMINISTRATOR AFTER JANUARY 31 THAT IS ACCOMPANIED BY A
8 ONE-HUNDRED-DOLLAR LATE FEE IS DEEMED TO BE TIMELY AND
9 SUFFICIENT. IF AN APPLICATION FOR A RENEWAL LICENSE HAS BEEN FILED
10 WITH THE ADMINISTRATOR ON OR BEFORE THE DATE THE LICENSE EXPIRES,
11 THE LICENSE SOUGHT TO BE RENEWED CONTINUES IN EFFECT UNTIL THE
12 ISSUANCE BY THE ADMINISTRATOR OF THE RENEWAL LICENSE APPLIED FOR
13 OR UNTIL THE ADMINISTRATOR HAS NOTIFIED THE LICENSEE IN WRITING OF
14 THE ADMINISTRATOR'S REFUSAL TO ISSUE THE RENEWAL LICENSE
15 TOGETHER WITH THE GROUNDS UPON WHICH THE REFUSAL IS BASED. THE
16 ADMINISTRATOR MAY REFUSE TO ISSUE A RENEWAL LICENSE ON ANY
17 GROUND ON WHICH THE ADMINISTRATOR MIGHT REFUSE TO ISSUE AN
18 INITIAL LICENSE.

19 (9) **Dishonored check.** IF A CHECK FILED WITH THE
20 ADMINISTRATOR TO PAY A LICENSE, INVESTIGATION, OR RENEWAL FEE
21 UNDER THIS SECTION IS DISHONORED, THE ADMINISTRATOR SHALL
22 AUTOMATICALLY SUSPEND THE LICENSE OR THE RENEWAL LICENSE THAT
23 HAS BEEN ISSUED BUT IS NOT YET EFFECTIVE. THE ADMINISTRATOR SHALL
24 GIVE THE LICENSEE NOTICE OF THE AUTOMATIC SUSPENSION PENDING
25 PROCEEDINGS FOR REVOCATION OR REFUSAL TO RENEW AND AN
26 OPPORTUNITY FOR A HEARING ON THE ACTIONS IN ACCORDANCE WITH
27 ARTICLE 6 OF THIS TITLE 5.

1 (10) **Update application information.** AN APPLICANT OR
2 LICENSEE UNDER THIS SECTION SHALL NOTIFY THE ADMINISTRATOR, IN
3 WRITING, OF ANY CHANGE IN THE INFORMATION PROVIDED IN ITS INITIAL
4 APPLICATION FOR A LICENSE OR ITS MOST RECENT RENEWAL APPLICATION
5 FOR A LICENSE, AS APPLICABLE, NOT LATER THAN TEN BUSINESS DAYS
6 AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS IN THE CHANGE.

7 (11) **Incomplete application.** THE ADMINISTRATOR MAY
8 CONSIDER AN APPLICATION FOR A LICENSE UNDER THIS SECTION
9 ABANDONED IF THE APPLICANT FAILS TO RESPOND TO ANY REQUEST FOR
10 INFORMATION REQUIRED UNDER THIS CODE OR ANY RULES ADOPTED
11 PURSUANT TO THIS CODE, AS LONG AS THE ADMINISTRATOR NOTIFIES THE
12 APPLICANT, IN WRITING, THAT THE APPLICATION WILL BE CONSIDERED
13 ABANDONED IF THE APPLICANT FAILS TO SUBMIT THE INFORMATION
14 WITHIN SIXTY DAYS AFTER THE DATE ON WHICH THE REQUEST FOR
15 INFORMATION WAS MADE. ABANDONMENT OF AN APPLICATION PURSUANT
16 TO THIS SUBSECTION (11) DOES NOT PRECLUDE THE APPLICANT FROM
17 SUBMITTING A NEW APPLICATION FOR A LICENSE UNDER THIS CODE.

18 (12) **Change of license notification.** A LICENSEE UNDER THIS
19 SECTION SHALL NOT ACT WITHIN THIS STATE AS A STUDENT LOAN
20 SERVICER UNDER ANY NAME OR AT ANY PLACE OF BUSINESS OTHER THAN
21 THOSE NAMED IN THE LICENSE. ANY CHANGE OF LOCATION OF A PLACE OF
22 BUSINESS OF A LICENSEE REQUIRES PRIOR WRITTEN NOTICE TO THE
23 ADMINISTRATOR. NOT MORE THAN ONE PLACE OF BUSINESS MAY BE
24 MAINTAINED UNDER THE SAME LICENSE, BUT THE ADMINISTRATOR MAY
25 ISSUE MORE THAN ONE LICENSE TO A LICENSEE THAT COMPLIES WITH THIS
26 CODE AS TO EACH LICENSE. A LICENSE IS NOT TRANSFERABLE OR
27 ASSIGNABLE.

1 (13) **Records retention - records request.** A STUDENT LOAN
2 SERVICER SHALL MAINTAIN ADEQUATE RECORDS OF EACH STUDENT
3 EDUCATION LOAN TRANSACTION FOR NOT LESS THAN TWO YEARS
4 FOLLOWING THE FINAL PAYMENT ON THE STUDENT EDUCATION LOAN OR
5 THE ASSIGNMENT OF THE STUDENT EDUCATION LOAN, WHICHEVER OCCURS
6 FIRST, OR EXCEPT AS OTHERWISE REQUIRED BY FEDERAL LAW, A FEDERAL
7 STUDENT EDUCATION LOAN AGREEMENT, OR A CONTRACT BETWEEN THE
8 FEDERAL GOVERNMENT AND A LICENSEE. UPON REQUEST BY THE
9 ADMINISTRATOR, A STUDENT LOAN SERVICER SHALL MAKE THE RECORDS
10 AVAILABLE OR SHALL SEND THE RECORDS TO THE ADMINISTRATOR BY
11 REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY
12 EXPRESS DELIVERY CARRIER THAT PROVIDES A DATED DELIVERY RECEIPT,
13 NOT LATER THAN FIVE BUSINESS DAYS AFTER REQUESTED BY THE
14 ADMINISTRATOR. UPON A LICENSEE'S REQUEST, THE ADMINISTRATOR MAY
15 GRANT THE LICENSEE ADDITIONAL TIME TO MAKE THE RECORDS
16 AVAILABLE OR TO SEND THE RECORDS TO THE ADMINISTRATOR.

17 (14) **License suspension and revocation - refusal to renew.**

18 (a) THE ADMINISTRATOR MAY SUSPEND, REVOKE, OR REFUSE TO RENEW
19 A LICENSE ISSUED PURSUANT TO THIS SECTION OR TAKE ANY OTHER
20 ACTION IN ACCORDANCE WITH ARTICLE 6 OF THIS TITLE 5 IF THE
21 ADMINISTRATOR FINDS ONE OR MORE OF THE FOLLOWING:

22 (I) THE LICENSEE HAS VIOLATED ANY PROVISION OF THIS CODE OR
23 ANY RULE OR ORDER LAWFULLY ADOPTED PURSUANT TO AND WITHIN THE
24 AUTHORITY OF THIS CODE; OR

25 (II) ANY FACT OR CONDITION EXISTS THAT, IF IT HAD EXISTED AT
26 THE TIME OF THE ORIGINAL APPLICATION FOR THE LICENSE, CLEARLY
27 WOULD HAVE WARRANTED A DENIAL OF THE LICENSE.

1 (b) AN ABATEMENT OF THE LICENSE FEE MAY NOT BE MADE IF THE
2 LICENSE IS SURRENDERED, REVOKED, OR SUSPENDED.

3 (15) **Licensing of student loan servicers.** (a) AN ENTITY SHALL
4 NOT ACT AS A STUDENT LOAN SERVICER, DIRECTLY OR INDIRECTLY,
5 WITHOUT FIRST OBTAINING A SUPERVISED LENDER LICENSE FROM THE
6 ADMINISTRATOR PURSUANT TO THIS PART 3.

7 (b) ALL OF THE PROVISIONS OF THIS PART 3 THAT APPLY TO THE
8 MAKING OF A SUPERVISED LOAN APPLY EQUALLY TO THE SERVICING OF A
9 STUDENT EDUCATION LOAN BY A STUDENT LOAN SERVICER AS IF THE
10 STUDENT LOAN SERVICER WERE A SUPERVISED LENDER SERVICING A
11 SUPERVISED LOAN.

12 (16) **Rules.** THE ADMINISTRATOR SHALL ADOPT RULES AS
13 NECESSARY TO IMPLEMENT THIS SECTION.

14 (17) **Affirmative acts required of student loan servicers.**
15 (a) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, FEDERAL STUDENT
16 EDUCATION LOAN AGREEMENTS, OR A CONTRACT BETWEEN THE FEDERAL
17 GOVERNMENT AND A STUDENT LOAN SERVICER, A STUDENT LOAN
18 SERVICER SHALL TAKE THE ACTIONS SPECIFIED IN THIS SUBSECTION (17).

19 (b) A LICENSEE SHALL RESPOND TO A WRITTEN INQUIRY FROM A
20 STUDENT LOAN BORROWER OR THE REPRESENTATIVE OF A STUDENT LOAN
21 BORROWER WITHIN THIRTY DAYS AFTER RECEIVING THE INQUIRY.

22 (c) UPON RECEIPT OF A NONCONFORMING PAYMENT ON A STUDENT
23 EDUCATION LOAN OF A STUDENT LOAN BORROWER, A STUDENT LOAN
24 SERVICER SHALL:

25 (I) ASK THE STUDENT LOAN BORROWER HOW THE STUDENT LOAN
26 BORROWER PREFERS THE LICENSEE TO APPLY A NONCONFORMING
27 PAYMENT;

1 (II) NOTE HOW THE STUDENT LOAN BORROWER PREFERS THE
2 STUDENT LOAN SERVICER TO APPLY A NONCONFORMING PAYMENT;

3 (III) APPLY THE NONCONFORMING PAYMENT IN THE MANNER
4 PREFERRED BY THE STUDENT LOAN BORROWER; AND

5 (IV) UNTIL THE STUDENT LOAN BORROWER INDICATES OTHERWISE,
6 APPLY ANY FUTURE NONCONFORMING PAYMENTS IN THE SAME MANNER
7 PREFERRED BY THE STUDENT LOAN BORROWER UNDER SUBSECTION
8 (17)(c)(I) OF THIS SECTION.

9 (d) IN THE EVENT OF THE SALE, ASSIGNMENT, OR OTHER TRANSFER
10 OF THE SERVICING OF A STUDENT EDUCATION LOAN THAT RESULTS IN A
11 CHANGE IN THE IDENTITY OF THE PERSON TO WHOM A STUDENT LOAN
12 BORROWER IS REQUIRED TO SEND PAYMENTS OR DIRECT ANY
13 COMMUNICATION CONCERNING THE STUDENT EDUCATION LOAN, THE
14 FOLLOWING PROVISIONS APPLY:

15 (I) AS A CONDITION OF A SALE, AN ASSIGNMENT, OR ANY OTHER
16 TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN, A STUDENT
17 LOAN SERVICER SHALL REQUIRE THE NEW STUDENT LOAN SERVICER TO
18 HONOR ALL BENEFITS ORIGINALLY REPRESENTED AS AVAILABLE TO A
19 STUDENT LOAN BORROWER DURING THE REPAYMENT OF THE STUDENT
20 EDUCATION LOAN AND PRESERVE THE AVAILABILITY OF THE BENEFITS,
21 INCLUDING ANY BENEFITS FOR WHICH THE STUDENT LOAN BORROWER HAS
22 NOT YET QUALIFIED.

23 (II) A STUDENT LOAN SERVICER SHALL TRANSFER TO THE NEW
24 STUDENT LOAN SERVICER ALL RECORDS REGARDING THE STUDENT LOAN
25 BORROWER, THE ACCOUNT OF THE STUDENT LOAN BORROWER, AND THE
26 STUDENT EDUCATION LOAN OF THE STUDENT LOAN BORROWER.

27 (III) THE RECORDS REQUIRED UNDER SUBSECTION (17)(d)(II) OF

1 THIS SECTION INCLUDE THE REPAYMENT STATUS OF THE STUDENT LOAN
2 BORROWER AND ANY BENEFITS ASSOCIATED WITH THE STUDENT
3 EDUCATION LOAN OF THE STUDENT LOAN BORROWER.

4 (IV) THE STUDENT LOAN SERVICER SHALL COMPLETE THE
5 TRANSFER OF RECORDS REQUIRED UNDER SUBSECTION (17)(d)(II) OF THIS
6 SECTION WITHIN FORTY-FIVE DAYS AFTER THE SALE, ASSIGNMENT, OR
7 OTHER TRANSFER OF THE SERVICING OF A STUDENT EDUCATION LOAN.

8 (V) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE
9 SERVICING OF A STUDENT LOAN SHALL BE COMPLETED AT LEAST SEVEN
10 DAYS BEFORE THE NEXT PAYMENT ON THE LOAN IS DUE.

11 (e) A STUDENT LOAN SERVICER THAT OBTAINS THE RIGHT TO
12 SERVICE A STUDENT EDUCATION LOAN SHALL ADOPT POLICIES AND
13 PROCEDURES TO VERIFY THAT THE STUDENT LOAN SERVICER HAS
14 RECEIVED ALL RECORDS REGARDING THE STUDENT LOAN BORROWER, THE
15 ACCOUNT OF THE STUDENT LOAN BORROWER, AND THE STUDENT
16 EDUCATION LOAN OF THE STUDENT LOAN BORROWER, INCLUDING THE
17 REPAYMENT STATUS OF THE STUDENT LOAN BORROWER AND ANY
18 BENEFITS ASSOCIATED WITH THE STUDENT EDUCATION LOAN OF THE
19 STUDENT LOAN BORROWER.

20 (18) **Prohibited acts of student loan servicers.** A STUDENT LOAN
21 SERVICER SHALL NOT:

22 (a) DIRECTLY OR INDIRECTLY EMPLOY A SCHEME, DEVICE, OR
23 ARTIFICE TO DEFRAUD OR MISLEAD STUDENT LOAN BORROWERS;

24 (b) ENGAGE IN AN UNFAIR OR DECEPTIVE PRACTICE TOWARD ANY
25 PERSON OR MISREPRESENT OR OMIT ANY MATERIAL INFORMATION IN
26 CONNECTION WITH THE SERVICING OF A STUDENT EDUCATION LOAN,
27 INCLUDING MISREPRESENTING THE AMOUNT, NATURE, OR TERMS OF ANY

1 FEE OR PAYMENT DUE OR CLAIMED TO BE DUE ON A STUDENT EDUCATION
2 LOAN, THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT, OR THE
3 STUDENT LOAN BORROWER'S OBLIGATIONS UNDER THE LOAN;

4 (c) OBTAIN PROPERTY BY FRAUD OR MISREPRESENTATION;

5 (d) MISAPPLY STUDENT EDUCATION LOAN PAYMENTS TO THE
6 OUTSTANDING BALANCE OF A STUDENT EDUCATION LOAN;

7 (e) PROVIDE INACCURATE INFORMATION TO A CREDIT BUREAU;

8 (f) FAIL TO REPORT BOTH THE FAVORABLE AND UNFAVORABLE
9 PAYMENT HISTORY OF A STUDENT LOAN BORROWER TO A NATIONALLY
10 RECOGNIZED CONSUMER CREDIT BUREAU AT LEAST ANNUALLY IF THE
11 STUDENT LOAN SERVICER REGULARLY REPORTS INFORMATION TO SUCH A
12 CREDIT BUREAU;

13 (g) REFUSE TO COMMUNICATE WITH AN AUTHORIZED
14 REPRESENTATIVE OF A STUDENT LOAN BORROWER WHO PROVIDES A
15 WRITTEN AUTHORIZATION SIGNED BY THE STUDENT LOAN BORROWER;
16 EXCEPT THAT THE STUDENT LOAN SERVICER MAY ADOPT PROCEDURES
17 REASONABLY RELATED TO VERIFYING THAT THE REPRESENTATIVE IS IN
18 FACT AUTHORIZED TO ACT ON BEHALF OF THE STUDENT LOAN BORROWER;

19 (h) MAKE ANY FALSE STATEMENT OR OMIT ANY MATERIAL FACT
20 IN CONNECTION WITH INFORMATION OR REPORTS FILED WITH A
21 GOVERNMENTAL AGENCY OR IN CONNECTION WITH AN INVESTIGATION
22 CONDUCTED BY THE ADMINISTRATOR OR ANOTHER GOVERNMENTAL
23 AGENCY; OR

24 (i) FAIL TO EVALUATE A STUDENT LOAN BORROWER FOR AN
25 INCOME-BASED REPAYMENT PROGRAM PRIOR TO PLACING THE STUDENT
26 LOAN BORROWER IN FORBEARANCE OR DEFAULT, IF AN INCOME-BASED
27 REPAYMENT PROGRAM IS AVAILABLE TO THE STUDENT LOAN BORROWER.

1 (19) **Powers and duties of the administrator.** (a) THE
2 ADMINISTRATOR HAS THE AUTHORITY TO CONDUCT INVESTIGATIONS AND
3 EXAMINATIONS AS FOLLOWS:

4 (I) FOR PURPOSES OF INITIAL LICENSING, LICENSE RENEWAL,
5 LICENSE SUSPENSION, LICENSE REVOCATION OR TERMINATION, OR
6 GENERAL OR SPECIFIC INQUIRY OR INVESTIGATION TO DETERMINE
7 COMPLIANCE WITH THIS CODE, THE ADMINISTRATOR MAY ACCESS,
8 RECEIVE, AND USE ANY RECORDS OR INFORMATION BELONGING TO A
9 LICENSEE OR PERSON UNDER EXAMINATION, INCLUDING CRIMINAL, CIVIL,
10 AND ADMINISTRATIVE HISTORY INFORMATION; PERSONAL HISTORY AND
11 EXPERIENCE INFORMATION, INCLUDING INDEPENDENT CREDIT REPORTS
12 OBTAINED FROM A CONSUMER REPORTING AGENCY DESCRIBED IN SECTION
13 603 (p) OF THE FEDERAL "FAIR CREDIT REPORTING ACT", 15 U.S.C. SEC.
14 1681a, AS AMENDED; AND ANY OTHER RECORDS OR INFORMATION THE
15 ADMINISTRATOR CONSIDERS RELEVANT TO THE INQUIRY OR
16 INVESTIGATION REGARDLESS OF THE LOCATION, POSSESSION, CONTROL, OR
17 CUSTODY OF THE RECORDS OR INFORMATION.

18 (II) FOR THE PURPOSES OF INVESTIGATING VIOLATIONS OR
19 COMPLAINTS ARISING UNDER THIS CODE OR FOR THE PURPOSES OF
20 EXAMINATION, THE ADMINISTRATOR MAY REVIEW, INVESTIGATE, OR
21 EXAMINE ANY LICENSEE OR PERSON SUBJECT TO THIS CODE AS OFTEN AS
22 NECESSARY IN ORDER TO CARRY OUT THE PURPOSES OF THIS CODE. THE
23 ADMINISTRATOR MAY DIRECT, SUBPOENA, OR ORDER THE ATTENDANCE OF
24 AND EXAMINE UNDER OATH ANY PERSON WHOSE TESTIMONY MAY BE
25 REQUIRED ABOUT THE STUDENT EDUCATION LOAN OR THE BUSINESS OR
26 SUBJECT MATTER OF AN EXAMINATION OR INVESTIGATION AND MAY
27 DIRECT, SUBPOENA, OR ORDER THE PERSON TO PRODUCE RECORDS THE

1 ADMINISTRATOR CONSIDERS RELEVANT TO THE INQUIRY.

2 (III) IN MAKING AN EXAMINATION OR INVESTIGATION AUTHORIZED
3 BY THIS SECTION, THE ADMINISTRATOR MAY CONTROL ACCESS TO ANY
4 RECORDS OF THE LICENSEE OR PERSON UNDER EXAMINATION OR
5 INVESTIGATION. THE ADMINISTRATOR MAY TAKE POSSESSION OF THE
6 RECORDS OR PLACE A PERSON IN EXCLUSIVE CHARGE OF THE RECORDS IN
7 THE PLACE WHERE THEY ARE USUALLY KEPT.

8 (IV) DURING THE PERIOD OF CONTROL, A PERSON MAY NOT
9 REMOVE OR ATTEMPT TO REMOVE ANY OF THE RECORDS EXCEPT
10 PURSUANT TO A COURT ORDER OR WITH THE CONSENT OF THE
11 ADMINISTRATOR. UNLESS THE ADMINISTRATOR HAS REASONABLE
12 GROUNDS TO BELIEVE THE RECORDS OF THE LICENSEE OR PERSON HAVE
13 BEEN, OR ARE AT RISK OF BEING, ALTERED OR DESTROYED FOR PURPOSES
14 OF CONCEALING A VIOLATION OF THIS CODE, THE LICENSEE OR OWNER OF
15 THE RECORDS MAY HAVE ACCESS TO THE RECORDS AS NECESSARY TO
16 CONDUCT ITS ORDINARY BUSINESS AFFAIRS.

17 (b) IN ORDER TO CARRY OUT THE PURPOSES OF THIS SECTION, THE
18 ADMINISTRATOR MAY:

19 (I) RETAIN ATTORNEYS, ACCOUNTANTS, OR OTHER PROFESSIONALS
20 AND SPECIALISTS AS EXAMINERS, AUDITORS, OR INVESTIGATORS TO
21 CONDUCT OR ASSIST IN THE CONDUCT OF EXAMINATIONS OR
22 INVESTIGATIONS;

23 (II) ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER
24 GOVERNMENT OFFICIALS OR REGULATORY ASSOCIATIONS IN ORDER TO
25 IMPROVE EFFICIENCIES AND REDUCE REGULATORY BURDEN BY SHARING
26 RESOURCES, STANDARDIZED OR UNIFORM METHODS OR PROCEDURES, AND
27 RECORDS OR INFORMATION OBTAINED UNDER THIS SECTION;

1 (III) USE, HIRE, CONTRACT FOR, OR EMPLOY PUBLICLY OR
2 PRIVATELY AVAILABLE ANALYTICAL SYSTEMS, METHODS, OR SOFTWARE
3 TO EXAMINE OR INVESTIGATE THE LICENSEE OR PERSON SUBJECT TO THIS
4 CODE;

5 (IV) ACCEPT AND RELY ON EXAMINATION OR INVESTIGATION
6 REPORTS MADE BY OTHER GOVERNMENT OFFICIALS, WITHIN OR OUTSIDE
7 THIS STATE; AND

8 (V) ACCEPT AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED
9 PUBLIC ACCOUNTANT FOR THE LICENSEE OR PERSON SUBJECT TO THIS CODE
10 IN THE COURSE OF THAT PART OF THE EXAMINATION COVERING THE SAME
11 GENERAL SUBJECT MATTER AS THE AUDIT AND MAY INCORPORATE THE
12 AUDIT REPORT IN A REPORT OF EXAMINATION, REPORT OF INVESTIGATION,
13 OR OTHER WRITING OF THE ADMINISTRATOR.

14 (c) A LICENSEE OR PERSON SUBJECT TO INVESTIGATION OR
15 EXAMINATION UNDER THIS SECTION MAY NOT KNOWINGLY WITHHOLD,
16 ABSTRACT, REMOVE, MUTILATE, OR DESTROY ANY RECORDS OR OTHER
17 INFORMATION RELATING TO INFORMATION REGULATED UNDER THIS CODE.

18 (d) WHENEVER IT APPEARS TO THE ADMINISTRATOR THAT A
19 PERSON HAS VIOLATED, IS VIOLATING, OR IS ABOUT TO VIOLATE A
20 PROVISION OF THIS SECTION OR A RULE ADOPTED PURSUANT TO THIS CODE
21 OR THAT A LICENSEE OR AN OWNER, DIRECTOR, OFFICER, MEMBER,
22 PARTNER, SHAREHOLDER, TRUSTEE, EMPLOYEE, OR AGENT OF THE
23 LICENSEE HAS COMMITTED FRAUD, ENGAGED IN DISHONEST ACTIVITIES, OR
24 MADE A MISREPRESENTATION, THE ADMINISTRATOR MAY TAKE ACTION
25 AGAINST THE PERSON OR LICENSEE IN ACCORDANCE WITH ARTICLE 6 OF
26 THIS TITLE 5.

27 (20) **Compliance with federal law.** A STUDENT LOAN SERVICER

1 SHALL COMPLY WITH ALL APPLICABLE FEDERAL LAWS AND REGULATIONS
2 RELATING TO SERVICING, INCLUDING THE FEDERAL "TRUTH IN LENDING
3 ACT", 15 U.S.C. SEC. 1601 TO 1667f, AS AMENDED, AND THE
4 REGULATIONS ADOPTED PURSUANT TO THAT ACT. IN ADDITION TO ANY
5 OTHER REMEDIES PROVIDED BY LAW, A VIOLATION OF THAT ACT OR
6 REGULATIONS ADOPTED PURSUANT TO THAT ACT IS A VIOLATION OF THIS
7 SECTION AND A BASIS UPON WHICH THE ADMINISTRATOR MAY TAKE
8 ENFORCEMENT ACTION PURSUANT TO THIS CODE.

9 (21) **Penalties.** (a) A VIOLATION OF THIS SECTION IS A DECEPTIVE
10 TRADE PRACTICE WITHIN THE MEANING OF SECTION 6-1-105 AND SUBJECT
11 TO THE ENFORCEMENT AND PENALTY PROVISIONS CONTAINED IN SECTION
12 6-1-107.

13 (b) A STUDENT LOAN SERVICER WHO FAILS TO COMPLY WITH ANY
14 REQUIREMENT IMPOSED UNDER THIS SECTION WITH RESPECT TO A STUDENT
15 LOAN BORROWER IS LIABLE IN AN AMOUNT EQUAL TO THE SUM OF:

16 (I) ANY ACTUAL DAMAGES SUSTAINED BY THE STUDENT LOAN
17 BORROWER AS A RESULT OF THE FAILURE;

18 (II) A MONETARY AWARD EQUAL TO THREE TIMES THE TOTAL
19 AMOUNT THE STUDENT LOAN SERVICER COLLECTED FROM THE STUDENT
20 LOAN BORROWER;

21 (III) PUNITIVE DAMAGES AS THE COURT MAY ALLOW; AND

22 (IV) IN THE CASE OF ANY SUCCESSFUL ACTION BY A STUDENT LOAN
23 BORROWER TO ENFORCE THE LIABILITY SET OUT IN THIS SUBSECTION (21),
24 THE COSTS OF THE ACTION, TOGETHER WITH REASONABLE ATTORNEY FEES
25 AS DETERMINED BY THE COURT.

26 (c) THE REMEDIES PROVIDED IN THIS SUBSECTION (21) ARE NOT
27 THE EXCLUSIVE REMEDIES AVAILABLE TO A STUDENT LOAN BORROWER,

1 NOR MUST THE STUDENT LOAN BORROWER EXHAUST ANY ADMINISTRATIVE
2 REMEDIES PROVIDED UNDER THIS SUBSECTION (21) OR ANY OTHER
3 APPLICABLE LAW BEFORE PROCEEDING UNDER THIS SUBSECTION (21).

4 **SECTION 3.** In Colorado Revised Statutes, 5-1-202, **amend**
5 (1)(f) as follows:

6 **5-1-202. Exclusions.** (1) This code does not apply to:

7 (f) Loans made, originated, disbursed, serviced, or guaranteed by
8 an agency, instrumentality, or political subdivision of the state pursuant
9 to article 3.1 of title 23; ~~C.R.S.~~ EXCEPT THAT NOTHING IN THIS
10 SUBSECTION (1)(f) AFFECTS THE ADMINISTRATOR'S ABILITY TO ENFORCE
11 THE CODE IN COMPLIANCE WITH SECTION 5-2-311 WITH REGARD TO THE
12 SERVICING BY A NONGOVERNMENTAL ENTITY OF A LOAN ORIGINATED,
13 DISBURSED, OR GUARANTEED BY AN AGENCY, INSTRUMENTALITY, OR
14 POLITICAL SUBDIVISION OF THE STATE.

15 **SECTION 4.** In Colorado Revised Statutes, 6-1-105, **add**
16 (1)(kkk) as follows:

17 **6-1-105. Deceptive trade practices.** (1) A person engages in a
18 deceptive trade practice when, in the course of the person's business,
19 vocation, or occupation, the person:

20 (kkk) VIOLATES SECTION 5-2-311.

21 **SECTION 5. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect January 1, 2020; except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within the ninety-day period after final adjournment of the general
26 assembly, then the act, item, section, or part will not take effect unless
27 approved by the people at the general election to be held in November

1 2020 and, in such case, will take effect on the date of the official
2 declaration of the vote thereon by the governor.

3 (2) This act applies to conduct occurring on or after the applicable
4 effective date of this act.