

17101766D

HOUSE BILL NO. 1915

Offered January 11, 2017

Prefiled January 10, 2017

A *BILL to amend the Code of Virginia by adding in Title 6.2 a chapter numbered 26, containing articles numbered 1 and 2, consisting of sections numbered 6.2-2600 through 6.2-2619, relating to student loans; licensing of student loan servicers; Office of the Student Loan Ombudsman; civil penalties.*

Patrons—Simon, Bagby, Bell, John J., Boysko, Hope, Kory, Krizek, Levine, Murphy, Plum, Price, Torian, Tyler and Watts; Senator: Ebbin

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 6.2 a chapter numbered 26, containing articles numbered 1 and 2, consisting of sections numbered 6.2-2600 through 6.2-2619, as follows:

CHAPTER 26.

STUDENT LOAN BILL OF RIGHTS.

Article 1.

Office of the Student Loan Ombudsman.

§ 6.2-2600. Office of the Student Loan Ombudsman established; duties.

A. *The Commission shall create within the Bureau the Office of the Student Loan Ombudsman. The Office of the Student Loan Ombudsman shall provide timely assistance to any student loan borrower, as defined in § 6.2-2603, of any student education loan, as defined in § 6.2-2603, in the Commonwealth. All state agencies shall assist and cooperate with the Office of the Student Loan Ombudsman in the performance of its duties under this article.*

B. *The Office of the Student Loan Ombudsman, in consultation with the Commissioner, shall:*

1. *Receive, review, and attempt to resolve any complaints from student loan borrowers, including attempts to resolve such complaints in collaboration with institutions of higher education, student loan servicers, as defined in § 6.2-2603, and any other participants in student loan lending;*

2. *Compile and analyze data on student loan borrower complaints as described in subdivision 1;*

3. *Assist student loan borrowers to understand their rights and responsibilities under the terms of student education loans;*

4. *Provide information to the public, state agencies, legislators, and other persons regarding the problems and concerns of student loan borrowers and make recommendations for resolving those problems and concerns;*

5. *Analyze and monitor the development and implementation of federal and state laws and policies relating to student loan borrowers and recommend any changes the Office of the Student Loan Ombudsman deems necessary;*

6. *Review the complete student education loan history of any student loan borrower who has provided written consent for such review;*

7. *Disseminate information concerning the availability of the Office of the Student Loan Ombudsman to assist student loan borrowers and potential student loan borrowers, as well as public institutions of higher education, student loan servicers, and any other participant in student education loan lending, with any student loan servicing concerns; and*

8. *Take any other actions necessary to fulfill the duties of the Office of the Student Loan Ombudsman as set forth in this section.*

§ 6.2-2601. Student loan borrower education course.

On or before December 1, 2017, the Office of the Student Loan Ombudsman, in consultation with the Commissioner, shall establish and maintain a student loan borrower education course that shall include educational presentations and materials regarding student education loans. Topics covered by the program shall include key loan terms, documentation requirements, monthly payment obligations, income-based repayment options, loan forgiveness, and disclosure requirements.

§ 6.2-2602. Reports.

On or before January 1, 2018, and annually thereafter, the Commissioner shall submit a report to the House Committees on Commerce and Labor and Education and the Senate Committees on Commerce and Labor and Education and Health. The report shall address (i) the implementation of this article, (ii) the overall effectiveness of the Office of the Student Loan Ombudsman, and (iii) additional steps that need to be taken for the Commission to gain regulatory control over the licensing and

58 enforcement of student loan servicers.

59 Article 2.

60 Student Loan Servicers.

61 **§ 6.2-2603. Definitions.**

62 As used in this article, unless the context requires a different meaning:

63 "Licensee" means a student loan servicer licensed under this article.

64 "Principal" means any person who, directly or indirectly, owns or controls (i) 10 percent or more of
65 the outstanding stock of a stock corporation or (ii) a 10 percent or greater interest in any other type of
66 entity.

67 "Servicing" means (i) receiving any scheduled periodic payments from a student loan borrower
68 pursuant to the terms of a student education loan; (ii) applying the payments of principal and interest
69 and such other payments, with respect to the amounts received from a student loan borrower, as may be
70 required pursuant to the terms of a student education loan; and (iii) performing other administrative
71 services with respect to a student education loan.

72 "Student education loan" means any loan primarily for personal use to finance education or other
73 school-related expenses.

74 "Student loan borrower" means (i) any resident of the Commonwealth who has received or agreed to
75 pay a student education loan or (ii) any person who shares responsibility with such resident for
76 repaying the student education loan.

77 "Student loan servicer" or "loan servicer" means any person, wherever located, responsible for the
78 servicing of any student education loan to any student loan borrower.

79 **§ 6.2-2604. License required to act as student loan servicer.**

80 A. No person shall act as a student loan servicer, directly or indirectly, without first obtaining a
81 license from the Commission under § 6.2-2605, unless such person is exempt from licensure pursuant to
82 subsection B.

83 B. The following persons are exempt from student loan servicer licensing requirements and all other
84 provisions of this article:

85 1. Any bank or credit union; and

86 2. Any wholly owned subsidiary of any bank or credit union.

87 **§ 6.2-2605. Licensing procedures; applications; renewals.**

88 A. Any person seeking to act as a student loan servicer shall make a written application to the
89 Commissioner for an initial license in such form as the Commissioner prescribes. Such application shall
90 be accompanied by:

91 1. A financial statement prepared by a certified public accountant or a public accountant, the
92 accuracy of which is sworn to under oath before a notary public by the proprietor, a general partner,
93 or a corporate officer or a member duly authorized to execute such documents;

94 2. The history of criminal convictions of the applicant; partners, if the applicant is a partnership;
95 members, if the applicant is a limited liability company or association; or officers, directors, and
96 principal employees, if the applicant is a corporation, and sufficient information pertaining to the
97 history of criminal convictions of such applicant, partners, members, officers, directors, or principal
98 employees as the Commissioner deems necessary to make the findings under subsection C;

99 3. A nonrefundable license fee in an amount prescribed by the Commission by rule or order; and

100 4. A nonrefundable investigation fee in an amount prescribed by the Commission by rule or order.

101 The license fee and the investigation fee shall be set by the Commission at a reasonable amount
102 based on the actual costs incurred by the Commission.

103 B. In connection with an application for licensing as a student loan servicer, the applicant shall
104 furnish to the Commission information concerning the applicant's identity, including fingerprints for
105 submission to the Federal Bureau of Investigation or any federal or state governmental agency or entity
106 authorized to receive such information for a state, national, and international criminal history records
107 check, as prescribed by the Commission. The applicant shall also submit personal history and
108 experience in a form prescribed by the Commission, including submission of authorization for the
109 Commission to obtain (i) an independent credit report from a consumer reporting agency described in §
110 603(p) of the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.) and (ii) information related to any
111 administrative, civil, or criminal findings by any governmental jurisdiction.

112 C. Upon the filing of an application for an initial license and the payment of the fees for license and
113 investigation, the Commissioner shall investigate the financial condition and responsibility, financial and
114 business experience, character, and general fitness of the applicant. The Commissioner may issue a
115 license if the Commissioner finds that:

116 1. The applicant's financial condition is sound;

117 2. The applicant's business will be conducted honestly, fairly, equitably, carefully, and efficiently
118 within the purposes and intent of this article;

119 3. If the applicant is an individual, such individual is in all respects properly qualified and of good

120 character; if the applicant is a partnership, each partner is in all respects properly qualified and of
 121 good character; if the applicant is a corporation or association, the president, chairman of the executive
 122 committee, senior officer responsible for the corporation's business, and chief financial officer or any
 123 other person who performs similar functions, as determined by the Commissioner, and each director,
 124 each trustee, and each shareholder owning 10 percent or more of each class of the securities of such
 125 corporation is in all respects properly qualified and of good character; or if the applicant is a limited
 126 liability company, each member is in all respects properly qualified and of good character;

127 4. No person on behalf of the applicant knowingly has made any incorrect statement of a material
 128 fact in the application or in any report or statement made pursuant to this article;

129 5. No person on behalf of the applicant knowingly has omitted to state any material fact necessary to
 130 give the Commissioner any information lawfully required by the Commissioner;

131 6. The applicant has paid the investigation fee and the license fee required under subsection A; and

132 7. The applicant has met any other similar requirements as determined by the Commissioner.

133 D. A license issued pursuant to this section shall expire at the close of business on September 30 of
 134 the second year following its issuance, unless renewed or earlier surrendered, suspended, or revoked
 135 pursuant to this article. Not later than 15 days after a licensee ceases to engage in the business of
 136 student loan servicing in the Commonwealth for any reason, including a business decision to terminate
 137 operations in the Commonwealth, license revocation, bankruptcy, or voluntary dissolution, the licensee
 138 shall provide written notice of surrender to the Commissioner and shall surrender to the Commissioner
 139 its license for each location in which the licensee has ceased to engage in such business. The written
 140 notice of surrender shall identify the location where the records of the licensee will be stored and the
 141 name, address, and telephone number of an individual authorized to provide access to the records. The
 142 surrender of a license does not reduce or eliminate the licensee's civil or criminal liability arising from
 143 acts or omissions occurring prior to the surrender of the license, including any administrative actions
 144 undertaken by the Commission to revoke or suspend a license, assess a civil penalty, order restitution,
 145 or exercise any other authority provided to the Commission.

146 E. A license may be renewed for the ensuing 24-month period upon the filing of an application
 147 containing all required documents and fees as provided in this section. Such renewal application shall
 148 be filed on or before September 1 of the year in which the license expires. Any renewal application filed
 149 with the Commissioner after September 1 shall be accompanied by a \$100 late fee, and any such filing
 150 shall be deemed to be timely and sufficient. If an application for a renewal license has been filed with
 151 the Commissioner on or before the date the license expires, the license sought to be renewed shall
 152 continue in full force and effect until the issuance by the Commissioner of the renewal license applied
 153 for or until the Commissioner has notified the licensee in writing of the Commissioner's refusal to issue
 154 such renewal license together with the grounds upon which such refusal is based. The Commissioner
 155 may refuse to issue a renewal license on any ground on which the Commission may refuse to issue an
 156 initial license.

157 F. If the Commissioner determines that a check filed to pay a license or renewal fee has been
 158 dishonored, the Commissioner shall automatically suspend the license or the renewal license that has
 159 been issued but is not yet effective. The Commissioner shall give the licensee notice of the automatic
 160 suspension pending proceedings for revocation or refusal to renew and an opportunity for a hearing on
 161 such actions in accordance with the Commission's Rules.

162 G. The applicant or licensee shall notify the Commissioner in writing of any change in the
 163 information provided in its initial application for a license or its most recent renewal application for
 164 such license, as applicable, not later than 10 business days after the occurrence of the event that results
 165 in such information becoming inaccurate.

166 H. The Commissioner may deem an application for a license abandoned if the applicant fails to
 167 respond to any request for information required under this article. The Commissioner shall notify the
 168 applicant, in writing, that if the applicant fails to submit such information not later than 60 days after
 169 the date on which such request for information was made, the application shall be deemed abandoned.
 170 An application filing fee paid prior to the date an application is deemed abandoned pursuant to this
 171 subsection shall not be refunded. Abandonment of an application pursuant to this subsection shall not
 172 preclude the applicant from submitting a new application for a license under the provisions of this
 173 article.

174 **§ 6.2-2606. Bond required.**

175 The application for a license shall also be accompanied by a bond filed with the Commissioner with
 176 corporate surety authorized to execute such bond in the Commonwealth, in the sum of \$50,000 per
 177 location, not to exceed a total of \$500,000. The form of such bond shall be approved by the
 178 Commission. Such bond shall be continuously maintained thereafter in full force. Such bond shall be
 179 conditioned upon the applicant or licensee performing all written agreements with borrowers or
 180 prospective borrowers, correctly and accurately accounting for all funds received by him in his licensed

181 *business, and conducting his licensed business in conformity with this article and all applicable laws.*
 182 *Any person who may be damaged by noncompliance of the licensee with any condition of such bond*
 183 *may proceed on such bond against the principal or surety thereon, or both, to recover damages. The*
 184 *aggregate liability under the bond shall not exceed the penal sum of the bond.*

185 **§ 6.2-2607. Place of business.**

186 *No person licensed to act within the Commonwealth as a student loan servicer shall do so under any*
 187 *other name or at any other place of business than that named in the license. Any change of location of*
 188 *a place of business of a licensee shall require prior written notice to the Commissioner. Not more than*
 189 *one place of business shall be maintained under the same license, but the Commissioner may issue more*
 190 *than one license to the same licensee upon compliance with the provisions of this article as to each new*
 191 *licensee. A license shall not be transferable or assignable.*

192 **§ 6.2-2608. Records.**

193 *A. Each licensee shall maintain adequate records of each student education loan transaction for not*
 194 *less than two years following the final payment on such student education loan or the assignment of*
 195 *such student education loan, whichever occurs first, or such longer period as may be required by any*
 196 *other provision of law.*

197 *B. If requested by the Commissioner, each licensee shall make such records available or send such*
 198 *records to the Commissioner by registered or certified mail, return receipt requested, or by any express*
 199 *delivery carrier that provides a dated delivery receipt, not later than five business days after requested*
 200 *by the Commissioner to do so. Upon request, the Commissioner may grant a licensee additional time to*
 201 *make such records available or send the records to the Commissioner.*

202 **§ 6.2-2609. Acquisition of control; application.**

203 *A. Except as provided in this section, no person shall acquire, directly or indirectly, 25 percent or*
 204 *more of the voting shares of a corporation or 25 percent or more of the ownership of any other person*
 205 *licensed to conduct business under this article unless such person first:*

206 *1. Files an application with the Commission in such form as the Commissioner may prescribe from*
 207 *time to time;*

208 *2. Delivers such other information to the Commissioner as the Commissioner may require concerning*
 209 *the financial responsibility, background, experience, and activities of the applicant, its directors, senior*
 210 *officers, principals, and members and of any proposed new directors, senior officers, principals, or*
 211 *members of the licensee; and*

212 *3. Pays such application fee as the Commission may prescribe.*

213 *B. Upon the filing and investigation of an application, the Commission shall permit the applicant to*
 214 *acquire the interest in the licensee if it finds that the applicant, its members if applicable, its directors,*
 215 *senior officers, trustees, and principals and any proposed new directors, members, senior officers,*
 216 *trustees, and principals have the financial responsibility, character, reputation, experience, and general*
 217 *fitness to warrant belief that the business will be operated efficiently and fairly, in the public interest,*
 218 *and in accordance with law. The Commission shall grant or deny the application within 60 days from*
 219 *the date a completed application accompanied by the required fee is filed unless the period is extended*
 220 *by order of the Commissioner reciting the reasons for the extension. If the application is denied, the*
 221 *Commission shall notify the applicant of the denial and the reasons for the denial.*

222 *C. The provisions of this section shall not apply to the acquisition of an interest in a licensee (i)*
 223 *directly or indirectly, including an acquisition by merger or consolidation by or with a person licensed*
 224 *under this article; (ii) directly or indirectly, by merger or consolidation by or with a person affiliated*
 225 *through common ownership with the licensee; or (iii) by bequest, descent, survivorship, or operation of*
 226 *law. The person acquiring an interest in a licensee in a transaction that is exempt from filing an*
 227 *application by this subsection shall send written notice to the Commissioner of such acquisition within*
 228 *30 days of its closing.*

229 **§ 6.2-2610. Prohibited activities.**

230 *No student loan servicer shall:*

231 *1. Directly or indirectly employ any scheme, device, or artifice to defraud or mislead student loan*
 232 *borrowers;*

233 *2. Engage in any unfair or deceptive practice toward any person or misrepresent or omit any*
 234 *material information in connection with the servicing of a student loan, including misrepresenting the*
 235 *amount, nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms*
 236 *and conditions of the loan agreement, or the borrower's obligations under the loan;*

237 *3. Obtain property by fraud or misrepresentation;*

238 *4. Knowingly misapply or recklessly apply student loan payments to the outstanding balance of a*
 239 *student loan;*

240 *5. Knowingly or recklessly provide inaccurate information to a nationally recognized consumer credit*
 241 *bureau, thereby harming a borrower's creditworthiness;*

242 *6. Fail to report both the favorable and unfavorable payment history of the borrower to a nationally*

243 recognized consumer credit bureau at least annually if the loan servicer regularly reports information to
244 such a credit bureau;

245 7. Refuse to communicate with an authorized representative of the borrower who provides a written
246 authorization signed by the borrower, provided that the loan servicer may adopt procedures reasonably
247 related to verifying that the representative is in fact authorized to act on behalf of the borrower; or

248 8. Negligently make any false statement or knowingly and willfully make any omission of a material
249 fact in connection with any information or reports filed with a governmental agency or in connection
250 with any investigation conducted by the Commission or another governmental agency.

251 **§ 6.2-2611. Other reporting requirements.**

252 Within 15 days following the occurrence of any of the following events, a licensee shall file a written
253 report with the Commission describing such event and its expected impact upon the business of the
254 licensee:

255 1. The filing of bankruptcy, reorganization, or receivership proceedings by or against the licensee;

256 2. The institution of administrative or regulatory proceedings against the licensee by any
257 governmental authority;

258 3. Any felony indictments of the licensee or any of its members, partners, directors, officers, or
259 principals;

260 4. Any felony conviction of the licensee or any of its members, partners, directors, officers, or
261 principals; and

262 5. Such other event as the Commission may prescribe by regulation.

263 **§ 6.2-2612. Investigations; examinations.**

264 A. The Commission may, as often as it deems necessary, investigate and examine the affairs,
265 business, premises, and records of any loan servicer required to be licensed under this article insofar as
266 they pertain to any business for which a license is required by this article. Examinations of such loan
267 servicers shall be conducted at least once in each three-year period. In the course of such investigations
268 and examinations, the owners, members, officers, directors, partners, and employees of the loan servicer
269 being investigated or examined shall, upon demand of the person making such investigation or
270 examination, afford full access to all premises, books, records, and information that the person making
271 such investigation or examination deems necessary. For the foregoing purposes, the person making such
272 investigation or examination shall have authority to administer oaths, examine under oath all the
273 aforementioned persons, and compel the production of papers and objects of all kinds.

274 B. For the purposes of investigating violations or complaints arising under this article or for the
275 purposes of examination, the Commissioner may review, investigate, or examine any student loan
276 servicer licensee or person subject to the requirements of this article as often as necessary in order to
277 carry out the purposes of this article. The Commissioner may direct, subpoena, or order the attendance
278 of and examine under oath all persons whose testimony may be required about the student education
279 loan or the business or subject matter of any such examination or investigation and may direct,
280 subpoena, or order such person to produce books, accounts, records, files, and any other documents the
281 Commissioner deems relevant to the inquiry.

282 C. In order to carry out the purposes of this article, the Commissioner may:

283 1. Retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or
284 investigators to conduct or assist in the conduct of examinations or investigations;

285 2. Enter into agreements or relationships with other government officials or regulatory associations
286 in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or
287 uniform methods or procedures, and documents, records, information, or evidence obtained under this
288 section;

289 3. Use, hire, contract, or employ public or privately available analytical systems, methods, or
290 software to examine or investigate the student loan servicer licensee or person subject to this article;

291 4. Accept and rely on examination or investigation reports made by other government officials,
292 within or without the Commonwealth; and

293 5. Accept audit reports made by an independent certified public accountant for the student loan
294 servicer licensee or person subject to this article in the course of that part of the examination covering
295 the same general subject matter as the audit and may incorporate the audit report in the report of
296 examination, report of investigation, or other writing of the Commissioner.

297 D. The authority of this section shall remain in effect, whether such student loan servicer licensee or
298 person subject to this article acts or claims to act under any licensing or registration law of the
299 Commonwealth or claims to act without such authority.

300 E. No student loan servicer licensee or person subject to investigation or examination under this
301 section may knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records,
302 computer records, or other information.

303 **§ 6.2-2613. Annual fees.**

304 A. In order to defray the costs of their examination, supervision, and regulation, every licensee under
 305 this article shall pay an annual fee calculated in accordance with a schedule set by the Commission.
 306 The schedule shall bear a reasonable relationship to the business volume of such licensees, the actual
 307 costs of their examinations, and other factors relating to their supervision and regulation. All such fees
 308 shall be assessed on or before September 15 for every calendar year. All such fees shall be paid by the
 309 licensee to the State Treasurer on or before October 15 following each assessment.

310 B. In addition to the annual fee prescribed in subsection A, when it becomes necessary to examine or
 311 investigate the books and records of a licensee under this article at a location outside the
 312 Commonwealth, the licensee shall be liable for and shall pay to the Commission within 30 days of the
 313 presentation of an itemized statement the actual travel and reasonable living expenses incurred on
 314 account of its examination, supervision, and regulation or shall pay a reasonable per diem rate
 315 approved by the Commission.

316 **§ 6.2-2614. Suspension, revocation, or refusal to renew license.**

317 A. The Commission may suspend, revoke, or refuse to renew any license issued under the provisions
 318 of this article if the Commission finds:

319 1. Any ground for denial of a license under this article;

320 2. Any violation of the provisions of this article or regulations adopted by the Commission pursuant
 321 thereto or a violation of any other law or regulation applicable to the conduct of the student loan
 322 servicer's business;

323 3. A course of conduct consisting of the failure to perform written agreements with student loan
 324 borrowers;

325 4. Failure to account for funds received or disbursed to the satisfaction of the person supplying or
 326 receiving student loan funds;

327 5. Conviction of a felony or misdemeanor involving fraud, misrepresentation, or deceit;

328 6. Entry of a judgment against the licensee involving fraud, misrepresentation, or deceit;

329 7. Entry of a federal or state administrative order against the student loan servicer for violation of
 330 any law or any regulation applicable to the conduct of the student loan servicer's business;

331 8. Refusal to permit an investigation or examination by the Commission;

332 9. Failure to pay any fee or assessment imposed by this article; or

333 10. Failure to comply with any order of the Commission.

334 B. For the purposes of this section, acts of any officer, director, member, partner, or principal shall
 335 be deemed acts of the student loan servicer.

336 C. No abatement of the license fee shall be made if a license issued under this article is surrendered,
 337 revoked, or suspended prior to the expiration of the period for which it was issued.

338 **§ 6.2-2615. Notice of proposed suspension or revocation.**

339 The Commission shall not revoke or suspend the license of any licensee upon any of the grounds set
 340 forth in § 6.2-2614 until it has given the student loan servicer (i) 21 days' notice in writing of the
 341 reasons for the proposed revocation or suspension and (ii) an opportunity to introduce evidence and be
 342 heard. The notice shall be sent by certified mail to the principal place of business of such licensee and
 343 shall state with particularity the grounds for the contemplated action. Within 14 days of mailing the
 344 notice, the licensee named therein may file with the clerk of the Commission a written request for a
 345 hearing. If a hearing is requested, the Commission shall not suspend or revoke the license except based
 346 upon findings made at such hearing. The hearing shall be conducted in accordance with the provisions
 347 of Title 12.1.

348 **§ 6.2-2616. Cease and desist orders.**

349 A. If the Commission determines that any student loan servicer required to be licensed under this
 350 article has violated any provision of this article or any regulation adopted pursuant thereto, the
 351 Commission may, upon 21 days' notice in writing, order such person to cease and desist from such
 352 practices and to comply with the provisions of this article. The notice shall be sent by certified mail to
 353 the principal place of business of the student loan servicer and shall state the grounds for the
 354 contemplated action.

355 B. Within 14 days of mailing the notice, the person named therein may file with the clerk of the
 356 Commission a written request for a hearing. If a hearing is requested, the Commission shall not issue a
 357 cease and desist order except based upon findings made at the hearing. The hearing shall be conducted
 358 in accordance with the provisions of Title 12.1. The Commission may enforce compliance with any such
 359 order issued under this section by imposition and collection of such fines and penalties as may be
 360 prescribed by Commission regulations.

361 **§ 6.2-2617. Compliance with federal laws.**

362 A student loan servicer shall comply with all applicable federal laws and regulations relating to
 363 student loan servicing, including, but not limited to, the Truth in Lending Act, 15 U.S.C. § 1601 et seq.,
 364 as amended, and regulations promulgated thereunder. In addition to any other remedies provided by
 365 law, a violation of any such federal law or regulation shall be deemed a violation of this article and a

366 basis upon which the Commissioner may take enforcement action pursuant to § 6.2-2614, 6.2-2616, or
367 6.2-2618.

368 **§ 6.2-2618. Civil penalties.**

369 The Commission may impose a civil penalty not exceeding \$2,500 upon any person required to be
370 licensed under this article who the Commission determines, in proceedings commenced in accordance
371 with the Commission's Rules, has violated any of the provisions of this article or any other law or
372 regulation applicable to the licensee's activities. For the purposes of this section, each separate violation
373 shall be subject to the civil penalty herein prescribed, and each day that an unlicensed person engages
374 in the business of a student loan servicer shall constitute a separate violation.

375 **§ 6.2-2619. Regulations.**

376 The Commission shall adopt such regulations as it deems appropriate to effect the purposes of this
377 article. Before adopting any such regulation, the Commission shall give reasonable notice of its content
378 and shall afford interested parties an opportunity to present evidence and be heard, in accordance with
379 the Commission's Rules.

380 **2. That the provisions of this act shall become effective on January 1, 2019.**

INTRODUCED

HB1915