

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

REVISED

This Version Includes All Amendments Adopted
on Second Reading in the Second House

LLS NO. 23-0916.01 Yelana Love x2295

SENATE BILL 23-248

SENATE SPONSORSHIP

Rodriguez and Liston, Cutter, Exum, Hinrichsen, Priola, Winter F.

HOUSE SPONSORSHIP

Mabrey and Weinberg,

Senate Committees
Business, Labor, & Technology
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House Committees
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A BILL FOR AN ACT

101 **CONCERNING CONSUMER PROTECTION IN CERTAIN CREDIT**
102 **TRANSACTIONS.**

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 amends the "Uniform Consumer Credit" (code) by:

- Updating the renewal dates for entities required to be licensed under the code from January 31 of each year to July 1 of each year;
- Creating the consumer credit unit cash fund, into which all

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

HOUSE
2nd Reading Unamended
May 5, 2023

SENATE
3rd Reading Unamended
April 24, 2023

SENATE
Amended 2nd Reading
April 21, 2023

fees collected under the code on and after July 1, 2024, must be deposited; and

- Repealing the uniform consumer credit code cash fund and the collection agency cash fund and transferring the balances remaining in the funds to the consumer credit unit cash fund.

The bill amends language in the "Colorado Fair Debt Collection Practices Act" relating to the duty of the code administrator to maintain confidentiality to align with the code and the "Colorado Student Loan Equity Act".

The bill amends the "Colorado Student Loan Equity Act" by:

- Requiring licensed entities to include an annual report upon application for license renewal;
- Amending the term "private education loan" to "private education credit" and updating corresponding terms accordingly;
- Defining the term "refinanced" and excluding student loans subject to refinancing from registration requirements; and
- Including a cosignor within the definition of "borrower".

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

2 **SECTION 1.** In Colorado Revised Statutes, 5-2-301, **amend** (1)
3 introductory portion and (1)(b) as follows:

4 **5-2-301. Authority to make supervised loans.** (1) Unless a
5 person is a supervised financial organization or has first obtained a
6 license from the administrator authorizing ~~him or her~~ THE PERSON to
7 make supervised loans, ~~he or she~~ THE PERSON shall not engage in the
8 business of:

9 (b) Taking assignments of and undertaking direct collection of
10 payments from or enforcement of rights against consumers arising from
11 supervised loans, INCLUDING SERVICING SUPERVISED LOANS; except that
12 a person who is licensed by the administrator as a collection agency
13 pursuant to article 16 of this title 5 or is licensed by the Colorado supreme
14 court to practice law, and who takes assignment of supervised loans only

1 after such loans are in default, is not required to obtain a supervised
2 lender license to engage in the activities described in this subsection
3 (1)(b).

4 **SECTION 2.** In Colorado Revised Statutes, 5-2-302, **amend** (8);
5 and **add** (10) and (11) as follows:

6 **5-2-302. License to make supervised loans - consumer credit**
7 **unit cash fund - rules - definition - repeal.** (8) Each license shall be
8 renewed by payment of a nonrefundable license fee and the filing of a
9 renewal form. The fee and renewal form ~~shall be~~ ARE due each ~~January~~
10 ~~31. If a licensee fails to pay the prescribed fee on or before March 1, it~~
11 ~~shall pay a penalty of five dollars per day per license from March 2 to the~~
12 ~~date the payment is postmarked. However,~~ JULY 1. If a licensee fails to
13 FILE THE RENEWAL FORM AND pay the appropriate renewal ~~and penalty~~
14 fees by ~~March 15~~ JULY 1, its license ~~shall automatically expire~~ EXPIRES.

15 (10) (a) LICENSES ISSUED BY THE ADMINISTRATOR IN 2023 EXPIRE
16 ON JULY 1, 2024. THE ADMINISTRATOR MAY ASSESS AN ADDITIONAL FEE
17 IN JANUARY 2024 TO COVER THE DIRECT AND INDIRECT COSTS OF
18 ADMINISTERING THIS SECTION UNTIL NOTIFICATION RENEWALS ARE DUE
19 JULY 1, 2024.

20 (b) THIS SUBSECTION (10) IS REPEALED, EFFECTIVE JULY 1, 2026.

21 (11) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
22 CONSUMER CREDIT UNIT CASH FUND, REFERRED TO IN THIS SUBSECTION
23 (11) AS THE "FUND". THE FUND CONSISTS OF ALL FEES COLLECTED
24 PURSUANT TO THIS ARTICLE 2 AND ARTICLES 6, 10, 16, 19, AND 21 OF THIS
25 TITLE 5 ON AND AFTER JULY 1, 2024. THE MONEY IN THE FUND IS
26 CONTINUOUSLY APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY
27 TO BE EXPENDED BY THE ADMINISTRATOR TO PAY FOR THE DIRECT AND

1 INDIRECT COSTS OF THE ADMINISTRATION AND ENFORCEMENT OF THIS
2 ARTICLE 2 AND ARTICLES 6, 10, 16, 19, AND 21 OF THIS TITLE 5.

3 (b) THE ADMINISTRATOR MAY ESTABLISH A FEE SCHEDULE FOR THE
4 PAYMENT AND COLLECTION OF FEES DESCRIBED IN THIS ARTICLE 2 AND
5 ARTICLES 6, 10, 16, 19, AND 21 OF THIS TITLE 5.

6 (c) ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT
7 OF MONEY IN THE FUND IS CREDITED TO THE FUND. AT THE END OF EACH
8 FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND
9 REMAINS IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO
10 THE GENERAL FUND OR ANY OTHER FUND.

11 (d) IN ACCORDANCE WITH SECTION 24-75-402 (3)(c), THE
12 ALTERNATIVE MAXIMUM RESERVE FOR THE FUND IS ONE-THIRD OF THE
13 AMOUNT EXPENDED FROM THE FUND DURING EACH FISCAL YEAR.

14 (e) ON AND AFTER JULY 1, 2024, THE ADMINISTRATOR SHALL
15 TRANSFER ALL FEES COLLECTED UNDER THIS ARTICLE 2 AND UNDER
16 ARTICLES 10, 16, 19, AND 21 OF THIS TITLE 5 TO THE STATE TREASURER,
17 WHO SHALL CREDIT THE FEES TO THE FUND.

18 **SECTION 3.** In Colorado Revised Statutes, 5-6-201, **amend** (3)
19 as follows:

20 **5-6-201. Applicability.** (3) ~~Sections 5-6-203 (5) and 5-6-204~~
21 SECTION 5-6-204 of this part 2 ~~apply~~ APPLIES to all fees collected under
22 this code.

23 **SECTION 4.** In Colorado Revised Statutes, 5-6-202, **amend** (1)
24 introductory portion and (2) as follows:

25 **5-6-202. Notification.** (1) Persons subject to this part 2 shall file
26 notification with, and pay the fee prescribed in section 5-6-203 to, the
27 administrator within thirty days after commencing business in this state

1 and, thereafter, on or before ~~January 31~~ JULY 1 of each year. The
2 notification ~~shall~~ MUST state:

3 (2) If information in a notification becomes inaccurate after filing,
4 no further notification is required until the following ~~January 31~~
5 NOTIFICATION.

6 **SECTION 5.** In Colorado Revised Statutes, 5-6-203, **amend** (1),
7 (3), and (4); and **repeal** (5) as follows:

8 **5-6-203. Fees - repeal.** (1) (a) A person required to file
9 notification shall, with the first notification ~~and~~ on or before ~~January 31~~
10 ~~of~~ JULY 1, 2024, AND ON OR BEFORE JULY 1 each year thereafter, pay to
11 the administrator a nonrefundable annual notification fee. The
12 administrator ~~is entitled to~~ MAY examine the loans, business, and records
13 of such A person without issuance of a subpoena.

14 (b) (I) NOTIFICATIONS ISSUED BY THE ADMINISTRATOR IN
15 CALENDAR YEAR 2023 EXPIRE ON JULY 1, 2024. THE ADMINISTRATOR MAY
16 ASSESS AN ADDITIONAL NOTIFICATION FEE IN JANUARY 2024 TO COVER
17 THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THIS SECTION UNTIL
18 NOTIFICATION RENEWALS ARE DUE JULY 1, 2024.

19 (II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

20 (3) (a) Persons required to file notification who are assignees of
21 consumer credit sales or consumer leases shall pay an additional
22 nonrefundable annual volume fee on or before ~~January 31~~ of each year for
23 ~~each~~ JULY 1, 2024, AND ON OR BEFORE JULY 1 EACH YEAR THEREAFTER,
24 FOR one hundred thousand dollars, or part thereof, of the unpaid balances
25 at the time of the assignment of obligations arising from consumer credit
26 sales or consumer leases made in this state and taken by assignment
27 during the preceding calendar year. PERSONS REQUIRED TO FILE

1 NOTIFICATION SHALL REPORT ANY SUCH VOLUME TO THE ADMINISTRATOR
2 ON OR BEFORE MARCH 1 IN THE FORM AND MANNER DETERMINED BY THE
3 ADMINISTRATOR. THE ADMINISTRATOR MAY CHARGE A LATE FEE FOR
4 FAILURE TO REPORT SUCH A VOLUME.

5 (b) (I) A PERSON THAT PAYS A VOLUME FEE IN CALENDAR YEAR
6 2023 IS NOT REQUIRED TO PAY A RENEWAL OF THE VOLUME FEE UNTIL
7 JULY 1, 2024. THE ADMINISTRATOR MAY ASSESS AN ADDITIONAL VOLUME
8 FEE IN JANUARY 2024 TO COVER THE DIRECT AND INDIRECT COSTS OF
9 ADMINISTERING THIS SECTION UNTIL VOLUME FEE RENEWALS ARE DUE ON
10 JULY 1, 2024.

11 (II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

12 (4) THE ADMINISTRATOR SHALL IMPOSE a penalty of five dollars
13 per day ~~shall be imposed~~ on any person ~~failing~~ THAT FAILS to comply with
14 this section. ~~except that, if the fees required by this section are paid on or~~
15 ~~before March 1 of each year, no penalty shall be imposed.~~ If a person
16 required to file notification and pay a notification fee fails to do so, the
17 consumer ~~shall have~~ HAS no obligation to pay the finance charge due
18 under the consumer credit transaction, and any finance charges paid shall
19 be refunded to the consumer. In addition, if the administrator examines
20 the loans, business, or records of such person, the person shall pay the
21 reasonable and necessary examination expenses of the administrator.

22 (5) (a) ~~The administrator shall determine the amount of the~~
23 ~~notification, volume, and license fees required in this section and in~~
24 ~~section 5-2-302 and may periodically reduce or increase the amount of~~
25 ~~one or more of the fees if necessary pursuant to section 24-75-402(3) and~~
26 ~~(4), C.R.S., to reduce the uncommitted reserves of the uniform consumer~~
27 ~~credit code cash fund created in section 5-6-204 to which all or any~~

1 ~~portion of one or more of the fees is credited.~~

2 (b) ~~In accordance with section 24-75-402 (3)(c), C.R.S., for fiscal~~
3 ~~years prior to July 1, 2018, the uniform consumer credit code cash fund~~
4 ~~is subject to an alternative maximum reserve of one-third of the amount~~
5 ~~expended during the previous fiscal year. For fiscal years that begin on or~~
6 ~~after July 1, 2018, the fund is subject to the maximum reserve established~~
7 ~~in section 24-75-402, C.R.S.~~

8 **SECTION 6.** In Colorado Revised Statutes, 5-6-204, **amend** (1);
9 and **add** (1.5) as follows:

10 **5-6-204. Cash fund created - repeal.** (1) (a) All fees collected
11 under this code and under article 10 of this title 5 PRIOR TO JULY 1, 2024,
12 shall be credited to the uniform consumer credit code cash fund, which
13 is created and referred to in this section as the "fund", and all money
14 credited to the fund shall be used for the administration and enforcement
15 of this code, article 10 of this title 5, and article 19 of this title 5. Interest
16 earned on the fund shall be credited to the fund. The general assembly
17 shall make annual appropriations out of the fund for the administration
18 and enforcement of this code, article 10 of this title 5, and article 19 of
19 this title 5; except that expenditures by the administrator for consumer
20 and creditor education resulting from the penalties provided in sections
21 5-2-303 (7)(f), 5-6-109 (1), 5-6-110, and 5-6-114 (2) shall not require
22 appropriation by the general assembly if the expenditures do not exceed
23 twenty-five thousand dollars per fiscal year and do not include the hiring
24 of any full-time equivalents.

25 (b) ON SEPTEMBER 30, 2024, THE STATE TREASURER SHALL
26 TRANSFER THE UNEXPENDED AND UNENCUMBERED BALANCE OF THE
27 UNIFORM CONSUMER CREDIT CODE CASH FUND TO THE CONSUMER CREDIT

1 UNIT CASH FUND CREATED IN SECTION 5-2-302 (11).

2 (c) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2026.

3 (1.5) ON AND AFTER JULY 1, 2024, THE STATE TREASURER SHALL
4 CREDIT ALL FEES COLLECTED UNDER THIS ARTICLE 6 TO THE CONSUMER
5 CREDIT UNIT CASH FUND CREATED IN SECTION 5-2-302 (11).

6 **SECTION 7.** In Colorado Revised Statutes, 5-10-804, **amend**
7 (1)(b) as follows:

8 **5-10-804. Notification by lessors - contents - repeal.** (1) A
9 lessor shall file a notification as prescribed in subsection (2) of this
10 section with the administrator:

11 (b) (I) Before ~~February 1~~ JULY 1 in each subsequent year that the
12 lessor solicits or enters into a rental purchase agreement subject to this
13 ~~article~~ ARTICLE 10.

14 (II) (A) NOTIFICATIONS ISSUED BY THE ADMINISTRATOR IN
15 CALENDAR YEAR 2023 EXPIRE ON JULY 1, 2024.

16 (B) THIS SUBSECTION (1)(b)(II) IS REPEALED, EFFECTIVE JULY 1,
17 2026.

18 **SECTION 8.** In Colorado Revised Statutes, 5-10-805, **amend** (1);
19 **repeal** (3); and **add** (4) as follows:

20 **5-10-805. Fees.** (1) A lessor required to file a notification with
21 the administrator under section 5-10-804 shall pay to the administrator the
22 following fees:

23 (a) ~~Fifty dollars~~ A FEE IN AN AMOUNT TO BE ESTABLISHED BY THE
24 ADMINISTRATOR for each address listed in section 5-10-804 (2)(c), paid
25 at the time of the filing of the initial notification with the administrator;

26 (b) ~~Twenty-five dollars~~ A FEE IN AN AMOUNT TO BE ESTABLISHED
27 BY THE ADMINISTRATOR for each address listed in section 5-10-804 (2)(c),

1 paid at the time of the filing of each annual notification subsequently filed
2 with the administrator.

3 (3) ~~Notwithstanding the amount specified for any fee in this~~
4 ~~section, the administrator by rule or as otherwise provided by law may~~
5 ~~reduce the amount of one or more of the fees if necessary pursuant to~~
6 ~~section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the~~
7 ~~fund to which all or any portion of one or more of the fees is credited.~~
8 ~~After the uncommitted reserves of the fund are sufficiently reduced, the~~
9 ~~administrator by rule or as otherwise provided by law may increase the~~
10 ~~amount of one or more of the fees as provided in section 24-75-402 (4),~~
11 ~~C.R.S.~~

12 (4) ON AND AFTER JULY 1, 2024, THE STATE TREASURER SHALL
13 CREDIT ALL FEES COLLECTED UNDER THIS ARTICLE 10 TO THE CONSUMER
14 CREDIT UNIT CASH FUND CREATED IN SECTION 5-2-302 (11).

15 **SECTION 9. In Colorado Revised Statutes, 5-16-119, amend (6)**
16 **as follows:**

17 **5-16-119. Collection agency license - requirements -**
18 **application - fee - expiration - definition. (6) (a) A collection agency**
19 **must obtain a license for its principal place of business, but its branch**
20 **offices, if any, need not obtain separate licenses. A collection agency with**
21 **branch offices must notify the administrator in writing of the location of**
22 **each branch office within thirty days after the branch office commences**
23 **business.**

24 **(b) SUBJECT TO RULES ADOPTED BY THE ADMINISTRATOR,**
25 **NOTHING IN SUBSECTION (6)(a) OF THIS SECTION PROHIBITS A LICENSEE**
26 **FROM PERMITTING ITS EMPLOYEES TO WORK FROM A REMOTE LOCATION SO**
27 **LONG AS THE LICENSEE:**

1 (I) ENSURES THAT NO IN-PERSON CUSTOMER INTERACTIONS ARE
2 CONDUCTED AT THE REMOTE LOCATION AND DOES NOT DESIGNATE THE
3 REMOTE LOCATION TO CONSUMERS AS A BUSINESS LOCATION;

4 (II) MAINTAINS APPROPRIATE SAFEGUARDS FOR LICENSEE AND
5 CONSUMER DATA, INFORMATION, AND RECORDS, INCLUDING THE USE OF
6 SECURE VIRTUAL PRIVATE NETWORKS, ALSO KNOWN AS "VPNS", WHERE
7 APPROPRIATE;

8 (III) EMPLOYS APPROPRIATE RISK-BASED MONITORING AND
9 OVERSIGHT PROCESSES OF WORK PERFORMED FROM A REMOTE LOCATION
10 AND MAINTAINS RECORDS OF THE MONITORING AND OVERSIGHT
11 PROCESSES;

12 (IV) ENSURES CONSUMER INFORMATION AND RECORDS ARE NOT
13 MAINTAINED AT A REMOTE LOCATION;

14 (V) ENSURES CONSUMER AND LICENSEE INFORMATION AND
15 RECORDS REMAIN ACCESSIBLE AND AVAILABLE FOR REGULATORY
16 OVERSIGHT AND EXAMINATION; AND

17 (VI) PROVIDES APPROPRIATE EMPLOYEE TRAINING TO ENSURE
18 EMPLOYEES WORKING FROM A REMOTE LOCATION KEEP ALL
19 CONVERSATIONS ABOUT AND WITH CONSUMERS THAT ARE CONDUCTED
20 FROM THE REMOTE LOCATION CONFIDENTIAL, AS IF CONDUCTED FROM A
21 COMMERCIAL LOCATION, AND TO ENSURE THAT EMPLOYEES WORKING AT
22 A REMOTE LOCATION WORK IN AN ENVIRONMENT THAT IS CONDUCIVE AND
23 APPROPRIATE TO ENSURING PRIVACY AND CONFIDENTIAL CONVERSATIONS.

24 (c) AS USED IN THIS SUBSECTION (6), "REMOTE LOCATION" MEANS
25 A PRIVATE RESIDENCE OF AN EMPLOYEE OF A LICENSEE OR ANOTHER
26 LOCATION SELECTED BY THE EMPLOYEE AND APPROVED BY THE LICENSEE.

27 **SECTION 10.** In Colorado Revised Statutes, 5-16-134 **amend**

1 (1); and **add** (1.5) as follows:

2 **5-16-134. Disposition of fees and fines - repeal.** (1) (a) All
3 revenue, except fines, collected pursuant to this article 16 BEFORE JULY
4 1, 2024, shall be collected by the administrator and transmitted to the state
5 treasurer, who shall credit the ~~same~~ MONEY to the collection agency cash
6 fund, which fund is ~~hereby~~ created and referred to in this section as the
7 "fund". The general assembly shall make annual appropriations from the
8 fund for the uses and purposes of this article 16. All revenue credited to
9 the fund, including earned interest, shall be used for the administration
10 and enforcement of this article 16.

11 ~~(b) Notwithstanding any provision of subsection (1)(a) of this~~
12 ~~section to the contrary, on March 27, 2002, the state treasurer shall deduct~~
13 ~~four hundred sixty-two thousand dollars from the fund and transfer such~~
14 ~~sum to the general fund.~~

15 ~~(c) Notwithstanding any provision of subsection (1)(a) of this~~
16 ~~section to the contrary, on March 5, 2003, the state treasurer shall deduct~~
17 ~~one hundred twenty thousand dollars from the fund and transfer such sum~~
18 ~~to the general fund.~~

19 (b) ON SEPTEMBER 30, 2024, OR AS SOON AS PRACTICABLE AFTER
20 THAT DATE, THE STATE TREASURER SHALL TRANSFER THE UNEXPENDED
21 AND UNENCUMBERED BALANCE OF THE COLLECTION AGENCY CASH FUND
22 TO THE CONSUMER CREDIT UNIT CASH FUND CREATED IN SECTION 5-2-302
23 (11).

24 (c) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2026.

25 (1.5) ON AND AFTER JULY 1, 2024, THE STATE TREASURER SHALL
26 CREDIT ALL FEES COLLECTED UNDER THIS ARTICLE 16 TO THE CONSUMER
27 CREDIT UNIT CASH FUND CREATED IN SECTION 5-2-302 (11).

1 **SECTION 11.** In Colorado Revised Statutes, 5-16-127, **add** (13)
2 as follows:

3 **5-16-127. Complaint - investigations - powers of administrator**
4 **- sanctions.** (13) THE ADMINISTRATOR SHALL NOT MAKE PUBLIC THE
5 NAME OR IDENTITY OF A PERSON WHOSE ACTS OR CONDUCT THE
6 ADMINISTRATOR INVESTIGATES PURSUANT TO THIS SECTION OR THE FACTS
7 DISCLOSED IN THE INVESTIGATION. THIS SUBSECTION (13) DOES NOT APPLY
8 TO DISCLOSURES BY THE ADMINISTRATOR IN ACTIONS OR ADMINISTRATIVE
9 ENFORCEMENT PROCEEDINGS PURSUANT TO THIS ARTICLE 16.

10 **SECTION 12.** In Colorado Revised Statutes, 5-19-205, **amend**
11 (b)(1) as follows:

12 **5-19-205. Application for registration - form, fee, and**
13 **accompanying documents - repeal.** (b) An application for registration
14 as a provider shall be accompanied by:

15 (1) The fee established by the administrator. The administrator
16 shall transmit the fee to the state treasurer, who shall:

17 (A) (i) FOR FEES COLLECTED PRIOR TO JULY 1, 2024, deposit ~~it~~ THE
18 MONEY in the uniform consumer credit code cash fund created in section
19 5-6-204 (1).

20 (ii) THIS SUBSECTION (b)(1)(A) IS REPEALED, EFFECTIVE JULY 1,
21 2026.

22 (B) FOR FEES COLLECTED ON AND AFTER JULY 1, 2024, DEPOSIT
23 THE MONEY IN THE CONSUMER CREDIT UNIT CASH FUND CREATED IN
24 SECTION 5-2-302 (11).

25 **SECTION 13.** In Colorado Revised Statutes, **add 5-19-206.5 as**
26 **follows:**

27 **5-19-206.5 Remote work authorized - definition.** (1) SUBJECT

1 TO RULES ADOPTED BY THE ADMINISTRATOR, NOTHING IN THIS PART 2
2 PROHIBITS A REGISTERED PROVIDER FROM PERMITTING ITS EMPLOYEES TO
3 WORK FROM A REMOTE LOCATION SO LONG AS THE REGISTERED PROVIDER:

4 (a) ENSURES THAT NO IN-PERSON CUSTOMER INTERACTIONS ARE
5 CONDUCTED AT THE REMOTE LOCATION AND DOES NOT DESIGNATE THE
6 REMOTE LOCATION TO CONSUMERS AS A BUSINESS LOCATION;

7 (b) MAINTAINS APPROPRIATE SAFEGUARDS FOR REGISTERED
8 PROVIDER AND CONSUMER DATA, INFORMATION, AND RECORDS,
9 INCLUDING THE USE OF SECURE VIRTUAL PRIVATE NETWORKS, ALSO
10 KNOWN AS "VPNS", WHERE APPROPRIATE;

11 (c) EMPLOYS APPROPRIATE RISK-BASED MONITORING AND
12 OVERSIGHT PROCESSES OF WORK PERFORMED FROM A REMOTE LOCATION
13 AND MAINTAINS RECORDS OF THE MONITORING AND OVERSIGHT
14 PROCESSES;

15 (d) ENSURES CONSUMER INFORMATION AND RECORDS ARE NOT
16 MAINTAINED AT A REMOTE LOCATION;

17 (e) ENSURES CONSUMER AND REGISTERED PROVIDER INFORMATION
18 AND RECORDS REMAIN ACCESSIBLE AND AVAILABLE FOR REGULATORY
19 OVERSIGHT AND EXAMINATION; AND

20 (f) PROVIDES APPROPRIATE EMPLOYEE TRAINING TO ENSURE
21 EMPLOYEES WORKING FROM A REMOTE LOCATION KEEP ALL
22 CONVERSATIONS ABOUT AND WITH CONSUMERS THAT ARE CONDUCTED
23 FROM THE REMOTE LOCATION CONFIDENTIAL, AS IF CONDUCTED FROM A
24 COMMERCIAL LOCATION, AND TO ENSURE THAT EMPLOYEES WORKING AT
25 A REMOTE LOCATION WORK IN AN ENVIRONMENT THAT IS CONDUCIVE AND
26 APPROPRIATE TO ENSURING PRIVACY AND CONFIDENTIAL CONVERSATIONS.

27 (2) AS USED IN THIS SECTION, "REMOTE LOCATION" MEANS A

1 PRIVATE RESIDENCE OF AN EMPLOYEE OF A REGISTERED PROVIDER OR
2 ANOTHER LOCATION SELECTED BY THE EMPLOYEE AND APPROVED BY THE
3 REGISTERED PROVIDER.

4 **SECTION 14.** In Colorado Revised Statutes, 5-21-106, **amend**
5 (2) as follows:

6 **5-21-106. Fees - repeal.** (2) The administrator shall transmit the
7 fees REQUIRED BY SUBSECTION (1) OF THIS SECTION to the state treasurer,
8 who shall credit ~~them~~ THE FEES COLLECTED:

9 (a) (I) BEFORE JULY 1, 2024, to the uniform consumer credit code
10 cash fund created in section 5-6-204 (1).

11 (II) THIS SUBSECTION (2)(a) IS REPEALED, EFFECTIVE JULY 1, 2026.

12 (b) ON AND AFTER JULY 1, 2024, TO THE CONSUMER CREDIT UNIT
13 CASH FUND CREATED IN SECTION 5-2-302 (11).

14 **SECTION 15.** In Colorado Revised Statutes, 5-20-102, **amend**
15 (2) as follows:

16 **5-20-102. Scope of article - residence of debtor.** (2) Part 2 of
17 this article 20 applies to private education ~~lenders~~, creditors and
18 collection agencies in connection with ~~those~~ student education loans that
19 are not made, insured, or guaranteed under federal law and that are used
20 for postsecondary education.

21 **SECTION 16.** In Colorado Revised Statutes, 5-20-106, **amend**
22 (1)(a), (9), and (10); and **add** (5)(d) as follows:

23 **5-20-106. Licensure of student loan servicers - definition.**

24 (1) **Automatic issuance of license for federal student loan servicing**
25 **contractors.** (a) A person seeking to act within this state as a student
26 loan servicer is exempt from the application procedures described in
27 subsection (2) of this section upon a determination by the administrator

1 that the person is a party to a contract awarded by the United States
2 secretary of education under 20 U.S.C. sec. ~~1087f~~ **1078, 1087f**, OR
3 **1087hh**, as amended. The administrator shall prescribe the procedure to
4 document eligibility for the exemption.

5 (5) **License renewal - annual report.** (d) ALONG WITH THE
6 APPLICATION FOR RENEWAL, EVERY LICENSEE SHALL FILE WITH THE
7 ADMINISTRATOR, IN THE FORM AND MANNER DETERMINED BY THE
8 ADMINISTRATOR, AN ANNUAL REPORT CONCERNING LOANS SERVICED BY
9 THE LICENSEE. INFORMATION INCLUDED IN AN ANNUAL REPORT FILED
10 PURSUANT TO THIS SUBSECTION (5)(d) IS CONFIDENTIAL AND MAY BE
11 PUBLISHED ONLY IN AGGREGATE FORM, WITH NO PERSONAL IDENTIFYING
12 INFORMATION INCLUDED.

13 (9) **Change of license notification.** (a) A licensee under this
14 section shall not act within this state as a student loan servicer under any
15 name or at any place of business other than those named in the license. A
16 licensee shall give prior written notice to the administrator of a change of
17 business location. A licensee shall not operate more than one place of
18 business under the same license, but the administrator may issue more
19 than one license to a licensee that complies with this part 1 as to each
20 license. A license is not transferable or assignable.

21 (b) (I) SUBJECT TO RULES ADOPTED BY THE ADMINISTRATOR,
22 NOTHING IN SUBSECTION (9)(a) OF THIS SECTION PROHIBITS A LICENSEE
23 FROM PERMITTING ITS EMPLOYEES TO WORK FROM A REMOTE LOCATION SO
24 LONG AS THE LICENSEE:

25 (A) ENSURES THAT NO IN-PERSON CUSTOMER INTERACTIONS ARE
26 CONDUCTED AT THE REMOTE LOCATION AND DOES NOT DESIGNATE THE
27 REMOTE LOCATION TO CONSUMERS AS A BUSINESS LOCATION;

1 (B) MAINTAINS APPROPRIATE SAFEGUARDS FOR LICENSEE AND
2 CONSUMER DATA, INFORMATION, AND RECORDS, INCLUDING THE USE OF
3 SECURE VIRTUAL PRIVATE NETWORKS, ALSO KNOWN AS "VPNS", WHERE
4 APPROPRIATE;

5 (C) EMPLOYS APPROPRIATE RISK-BASED MONITORING AND
6 OVERSIGHT PROCESSES OF WORK PERFORMED FROM A REMOTE LOCATION
7 AND MAINTAINS RECORDS OF THE MONITORING AND OVERSIGHT
8 PROCESSES;

9 (D) ENSURES CONSUMER INFORMATION AND RECORDS ARE NOT
10 MAINTAINED AT A REMOTE LOCATION;

11 (E) ENSURES CONSUMER AND LICENSEE INFORMATION AND
12 RECORDS REMAIN ACCESSIBLE AND AVAILABLE FOR REGULATORY
13 OVERSIGHT AND EXAMINATION; AND

14 (F) PROVIDES APPROPRIATE EMPLOYEE TRAINING TO ENSURE
15 EMPLOYEES WORKING FROM A REMOTE LOCATION KEEP ALL
16 CONVERSATIONS ABOUT AND WITH CONSUMERS THAT ARE CONDUCTED
17 FROM THE REMOTE LOCATION CONFIDENTIAL, AS IF CONDUCTED FROM A
18 COMMERCIAL LOCATION, AND TO ENSURE THAT EMPLOYEES WORKING AT
19 A REMOTE LOCATION WORK IN AN ENVIRONMENT THAT IS CONDUCIVE AND
20 APPROPRIATE TO ENSURING PRIVACY AND CONFIDENTIAL CONVERSATIONS.

21 (II) AS USED IN THIS SUBSECTION (9)(b), "REMOTE LOCATION"
22 MEANS A PRIVATE RESIDENCE OF AN EMPLOYEE OF A LICENSEE OR
23 ANOTHER LOCATION SELECTED BY THE EMPLOYEE AND APPROVED BY THE
24 LICENSEE.

25 (10) **Records retention - records request.** A student loan
26 servicer shall maintain adequate records of each student education loan
27 transaction AND ALL COMMUNICATIONS IN CONNECTION WITH STUDENT

1 EDUCATION LOAN SERVICING for not less than two years after the final
2 payment on the student education loan or the assignment of the student
3 education loan, whichever occurs first, ~~or~~ except as otherwise required by
4 federal law, a federal student education loan agreement, or a contract
5 between the federal government and a licensee. Upon request by the
6 administrator, a student loan servicer shall make the records available or
7 shall send the records to the administrator by registered or certified mail,
8 return receipt requested, or by any express delivery carrier that provides
9 a dated delivery receipt, not later than five business days after requested
10 by the administrator. Upon a licensee's request, the administrator may
11 grant the licensee additional time to make the records available or to send
12 the records to the administrator.

13 **SECTION 17.** In Colorado Revised Statutes, 5-20-202, **amend**
14 (1), (2)(a), (7), and (8); **repeal** (3) and (6); and **add** (7.5) and (8.5) as
15 follows:

16 **5-20-202. Definitions.** As used in this part 2, unless the context
17 otherwise requires:

18 (1) "Collection agency" means a collection agency, as defined in
19 section 5-16-103 (3), that collects or attempts to collect, directly or
20 indirectly, a consumer debt resulting from a private education ~~loan~~
21 CREDIT OBLIGATION. The term includes a debt buyer, as defined in section
22 5-16-103 (8.5).

23 (2) (a) "Cosigner" means any individual who is liable for the
24 obligation of another without compensation, regardless of how the
25 individual is designated in the contract or instrument with respect to that
26 obligation, including an obligation under a private education ~~loan~~ CREDIT
27 OBLIGATION extended to consolidate a borrower's preexisting student

1 loans. The term includes any individual whose signature is requested as
2 a condition to grant credit or to forbear on collection.

3 (3) ~~"Creditor" means the seller, lessor, lender, or person who~~
4 ~~makes or arranges a private education loan and to whom the loan is~~
5 ~~initially payable, or the assignee of a creditor's right to payment, but use~~
6 ~~of the term does not in itself impose on an assignee any obligation of the~~
7 ~~assignor. "Creditor" does not include a collection agency as defined in~~
8 ~~section 5-16-103 (3).~~

9 (6) (a) ~~"Private education lender" or "lender" means:~~

10 (I) ~~Any person engaged in the business of making or extending~~
11 ~~private education loans;~~

12 (II) ~~A holder of a private education loan; or~~

13 (III) ~~A creditor.~~

14 (b) ~~"Private education lender" or "lender" does not include:~~

15 (I) ~~A bank, as defined in 12 U.S.C. sec. 1841 (c);~~

16 (II) ~~A credit union; or~~

17 (III) ~~An industrial bank organized under Title 7, Chapter 8,~~
18 ~~Financial Institutions Act, Utah Code Annotated, as amended.~~

19 (7) (a) ~~"Private education loan~~ CREDIT OBLIGATION ~~" means a~~
20 ~~student education loan~~ CREDIT OBLIGATION ~~that, UNLESS OTHERWISE~~
21 ~~EXEMPT:~~

22 (I) ~~Is not made, insured, or guaranteed under Title IV of the~~
23 ~~FEDERAL "Higher Education Act of 1965", 20 U.S.C. sec. 1070 et seq., as~~
24 ~~amended; and~~

25 (II) ~~Is extended to a consumer expressly, in whole or in part, for~~
26 ~~postsecondary educational expenses, regardless of whether the loan~~
27 CREDIT OBLIGATION ~~is provided by the postsecondary educational~~

1 institution that the student attends, INCLUDING A PAYMENT PLAN OR
2 FINANCING.

3 (b) "Private education ~~loan~~ CREDIT OBLIGATION" does not include:

4 (I) A loan that is secured by real property, regardless of the
5 purpose of the loan; or

6 (II) An extension of credit in which the covered postsecondary
7 educational institution is the ~~lender~~ CREDITOR if:

8 (A) The term of the extension of credit is ninety days or less; or

9 (B) An interest rate is not applied to the credit balance and the
10 term of the extension of credit is one year or less, even if the credit is
11 payable in more than four installments.

12 (7.5)(a) "PRIVATE EDUCATION CREDITOR" OR "CREDITOR" MEANS:

13 (I) ANY PERSON ENGAGED IN THE BUSINESS OF MAKING OR
14 EXTENDING PRIVATE EDUCATION CREDIT OBLIGATION;

15 (II) A HOLDER OF A PRIVATE EDUCATION CREDIT OBLIGATION; OR

16 (III) A SELLER, LESSOR, LENDER, OR PERSON THAT MAKES OR
17 ARRANGES A PRIVATE EDUCATION CREDIT OBLIGATION AND TO WHOM THE
18 PRIVATE EDUCATION CREDIT OBLIGATION IS INITIALLY PAYABLE OR THE
19 ASSIGNEE OF A CREDITOR'S RIGHT TO PAYMENT.

20 (b) "PRIVATE EDUCATION CREDITOR" OR "CREDITOR" DOES NOT
21 INCLUDE:

22 (I) A BANK, AS DEFINED IN 12 U.S.C. SEC. 1841 (c);

23 (II) A CREDIT UNION;

24 (III) AN INDUSTRIAL BANK ORGANIZED UNDER TITLE 7, CHAPTER
25 8, "FINANCIAL INSTITUTIONS ACT", UTAH CODE ANNOTATED, AS
26 AMENDED; OR

27 (IV) A COLLECTION AGENCY, AS DEFINED IN SECTION 5-16-103(3).

1 (8) "Private education ~~loan~~ CREDIT borrower" means any resident
2 of Colorado, including a student loan borrower, who has received or
3 agreed to pay a private education ~~loan~~ CREDIT OBLIGATION for the
4 resident's own postsecondary education expenses OR ANY RESIDENT OF
5 COLORADO WHO COSIGNS FOR A PRIVATE EDUCATION CREDIT OBLIGATION.

6 (8.5) "REFINANCED" MEANS AN EXISTING PRIVATE EDUCATION
7 CREDIT OBLIGATION IS SATISFIED AND REPLACED BY A NEW PRIVATE
8 EDUCATION CREDIT OBLIGATION UNDERTAKEN BY THE SAME CONSUMER.

9 **SECTION 18.** In Colorado Revised Statutes, 5-20-203, **amend**
10 (2) introductory portion, (2)(b)(I), (2)(b)(III), and (2)(b)(IV) as follows:

11 **5-20-203. Registration of private education creditors -**
12 **penalties - rules.** (2) A private education ~~lender~~ CREDITOR shall:

13 (b) Provide the administrator, at the time of registration and not
14 less than once per year thereafter, as established by the administrator by
15 rule, and at other times upon the administrator's request, with the
16 following documents and information:

17 (I) A list of all schools at which the private education ~~lender~~
18 CREDITOR has provided A private education ~~loans~~ CREDIT OBLIGATION to
19 a private education ~~loan~~ CREDIT borrower; EXCEPT THAT THIS
20 REQUIREMENT DOES NOT APPLY TO A PRIVATE EDUCATION CREDIT
21 OBLIGATION THAT IS REFINANCED;

22 (III) The volume of private education ~~loans~~ CREDIT OBLIGATIONS
23 made annually at each school identified under subsection (2)(b)(I) of this
24 section; EXCEPT THAT THIS REQUIREMENT DOES NOT APPLY TO A PRIVATE
25 EDUCATION CREDIT OBLIGATION THAT IS REFINANCED;

26 (IV) The default rate for private education ~~loan~~ CREDIT borrowers
27 obtaining private education ~~loans~~ CREDIT OBLIGATIONS from the private

1 education ~~lender~~ CREDITOR, including the default rate for private
2 education ~~loans~~ CREDIT OBLIGATIONS made to private education ~~loan~~
3 CREDIT borrowers at each school listed pursuant to subsection (2)(b)(I) of
4 this section; EXCEPT THAT THIS REQUIREMENT DOES NOT APPLY TO A
5 PRIVATE EDUCATION CREDIT OBLIGATION THAT IS REFINANCED;

6 **SECTION 19.** In Colorado Revised Statutes, **amend 5-20-204** as
7 follows:

8 **5-20-204. Cosigner disclosures.** (1) Before extending a private
9 education ~~loan~~ CREDIT OBLIGATION that requires a cosigner, a private
10 education ~~lender~~ CREDITOR shall disclose to the cosigner:

11 (a) How the private education ~~loan~~ CREDIT obligation will appear
12 on the cosigner's credit;

13 (b) How the cosigner will be notified if the private education ~~loan~~
14 CREDIT OBLIGATION becomes delinquent, including how the cosigner can
15 cure the delinquency in order to avoid negative credit furnishing and loss
16 of cosigner release eligibility; and

17 (c) Eligibility for release of the cosigner's obligation on the private
18 education ~~loan~~ CREDIT OBLIGATION, including the number of on-time
19 payments and any other criteria required to approve the release of the
20 cosigner from the ~~loan~~ CREDIT obligation.

21 (2) For any private education ~~loan~~ CREDIT OBLIGATION that
22 obligates a cosigner, a ~~lender~~ CREDITOR shall provide the private
23 education ~~loan~~ CREDIT borrower and the cosigner an annual written notice
24 containing information about cosigner release, including the
25 administrative, objective criteria the ~~lender~~ CREDITOR requires to approve
26 the release of the cosigner from the ~~loan~~ CREDIT obligation and the
27 process for applying for cosigner release. If the private education ~~loan~~

1 CREDIT borrower has met the applicable payment requirement to be
2 eligible for cosigner release, the ~~lender~~ CREDITOR shall send the private
3 education ~~loan~~ CREDIT borrower and the cosigner a written notification by
4 mail, and by electronic mail if a private education ~~loan~~ CREDIT borrower
5 or cosigner has elected to receive electronic communications from the
6 ~~lender~~ CREDITOR, informing the private education ~~loan~~ CREDIT borrower
7 and cosigner that the payments requirement to be eligible for cosigner
8 release has been met. The notification must also include information
9 about any additional criteria to qualify for cosigner release and the
10 procedure to apply for cosigner release.

11 (3) A ~~lender~~ CREDITOR shall provide written notice to a private
12 education ~~loan~~ CREDIT borrower who applies for cosigner release but
13 whose application is incomplete. The written notice must include a
14 description of the information needed to consider the application
15 complete and the date by which the applicant must furnish the missing
16 information in order to complete the application.

17 (4) Within thirty days after a private education ~~loan~~ CREDIT
18 borrower submits a completed application for cosigner release, the ~~lender~~
19 CREDITOR shall send the private education ~~loan~~ CREDIT borrower and
20 cosigner a written notice that informs the private education ~~loan~~ CREDIT
21 borrower and cosigner whether the ~~lender~~ CREDITOR has approved or
22 denied the cosigner release application. If the ~~lender~~ CREDITOR denies a
23 request for cosigner release, the private education ~~loan~~ CREDIT borrower
24 may request copies of any documents or information used in the
25 determination, including the credit score threshold used by the ~~lender~~
26 CREDITOR, the private education ~~loan~~ CREDIT borrower's consumer report,
27 the private education ~~loan~~ CREDIT borrower's credit score, and any other

1 documents or information specific to the private education ~~loan~~ CREDIT
2 borrower. The ~~lender~~ CREDITOR shall also provide any adverse action
3 notices required under applicable federal law if the denial is based in
4 whole or in part on any information contained in a consumer report.

5 (5) In response to a written or oral request by the private education
6 ~~loan~~ CREDIT borrower for cosigner release, a ~~lender~~ CREDITOR shall
7 provide to the private education ~~loan~~ CREDIT borrower the information
8 described in subsection (2) of this section.

9 **SECTION 20.** In Colorado Revised Statutes, **amend 5-20-205** as
10 follows:

11 **5-20-205. Cosigner release.** (1) A ~~lender~~ CREDITOR shall not
12 impose any restriction that permanently bars a private education ~~loan~~
13 CREDIT borrower from qualifying for cosigner release, including
14 restricting the number of times a private education ~~loan~~ CREDIT borrower
15 may apply for cosigner release.

16 (2) A ~~lender~~ CREDITOR shall not impose any negative
17 consequences on a private education ~~loan~~ CREDIT borrower or cosigner
18 during the sixty days following the issuance of the notice required
19 pursuant to section 5-20-204 (3) or until the ~~lender~~ CREDITOR makes a
20 final determination about a private education ~~loan~~ CREDIT borrower's
21 cosigner release application, whichever occurs later. As used in this
22 subsection (2), "negative consequences" includes the imposition of
23 additional eligibility criteria, negative credit reporting, lost eligibility for
24 cosigner release, late fees, interest capitalization, or other financial injury.

25 (3) For any private education ~~loan~~ CREDIT OBLIGATION issued on
26 or after June 29, 2021, a ~~lender~~ CREDITOR shall not require proof of more
27 than twelve consecutive, on-time payments as part of the criteria for

1 cosigner release. A private education ~~loan~~ CREDIT borrower who has paid
2 the equivalent of twelve months of principal and interest payments within
3 any twelve-month period is deemed to have satisfied the consecutive,
4 on-time payment requirement even if the private education ~~loan~~ CREDIT
5 borrower has not made payments monthly during the twelve-month
6 period. If a private education ~~loan~~ CREDIT borrower or cosigner requests
7 a change in terms that restarts the count of consecutive, on-time payments
8 required for cosigner release, the ~~lender~~ CREDITOR shall notify the private
9 education ~~loan~~ CREDIT borrower and cosigner in writing of the impact of
10 the change and provide the private education ~~loan~~ CREDIT borrower or
11 cosigner the right to withdraw or reverse the request to avoid that impact.

12 (4) A private education ~~loan~~ CREDIT borrower may request an
13 appeal of a ~~lender's~~ CREDITOR'S determination to deny a request for
14 cosigner release, and the ~~lender~~ CREDITOR shall permit the private
15 education ~~loan~~ CREDIT borrower to submit additional documentation
16 evidencing the private education ~~loan~~ CREDIT borrower's ability,
17 willingness, and stability to meet the payment obligations. The private
18 education ~~loan~~ CREDIT borrower may request that another employee of the
19 ~~lender~~ CREDITOR review the cosigner release determination.

20 (5) A ~~lender~~ CREDITOR shall establish and maintain a
21 comprehensive record management system reasonably designed to ensure
22 the accuracy, integrity, and completeness of information about cosigner
23 release applications and to ensure compliance with applicable state and
24 federal laws, including the FEDERAL "Equal Credit Opportunity Act", 15
25 U.S.C. sec. 1691 et seq., as amended, and the FEDERAL "Fair Credit
26 Reporting Act", 15 U.S.C. sec. 1681 et seq., as amended. This system
27 must include the number of cosigner release applications received, the

1 approval and denial rate, and the primary reasons for any denial.

2 **SECTION 21.** In Colorado Revised Statutes, **amend 5-20-206** as
3 follows:

4 **5-20-206. Cosigner rights.** (1) A ~~lender~~ CREDITOR shall provide
5 a cosigner with access to all documents or records related to the cosigned
6 private education ~~loan~~ CREDIT OBLIGATION that are available to the private
7 education ~~loan~~ CREDIT borrower.

8 (2) (a) If a ~~lender~~ CREDITOR provides electronic access to
9 documents and records for a private education ~~loan~~ CREDIT borrower, ~~it~~
10 THE CREDITOR shall provide equivalent electronic access to the cosigner.

11 (b) Upon the private education ~~loan~~ CREDIT borrower's request,
12 the ~~lender~~ CREDITOR shall redact the private education ~~loan~~ CREDIT
13 borrower's contact information from documents and records provided to
14 a cosigner.

15 (3) A ~~lender~~ CREDITOR shall not include in a private education
16 ~~loan~~ CREDIT OBLIGATION executed after June 29, 2021, a provision that
17 permits the ~~lender~~ CREDITOR to accelerate payments, in whole or in part,
18 except upon a payment default. A ~~lender~~ CREDITOR shall not place any
19 ~~loan~~ CREDIT OBLIGATION or account into default or accelerate a ~~loan~~
20 CREDIT OBLIGATION for any reason other than payment default.

21 (4) A private education ~~loan~~ CREDIT OBLIGATION executed before
22 June 29, 2021, may permit the ~~lender~~ CREDITOR to accelerate payments
23 only if the promissory note or ~~loan~~ CREDIT OBLIGATION agreement
24 explicitly authorizes an acceleration and only for the reasons stated in the
25 note or agreement.

26 **SECTION 22.** In Colorado Revised Statutes, **amend 5-20-207** as
27 follows:

1 **5-20-207. Bankruptcy or death of cosigner.** (1) If a cosigner
2 dies, the ~~lender~~ CREDITOR shall not attempt to collect against the
3 cosigner's estate other than for payment default.

4 (2) With regard to the death or bankruptcy of a cosigner, if a
5 private education ~~loan~~ CREDITOR is not more than sixty days delinquent
6 at the time the ~~lender~~ CREDITOR is notified of the cosigner's death or
7 bankruptcy, the ~~lender~~ CREDITOR shall not change any terms or benefits
8 under the promissory note, repayment schedule, repayment terms, or
9 monthly payment amount or any other provision associated with the ~~loan~~
10 CREDIT OBLIGATION.

11 **SECTION 23.** In Colorado Revised Statutes, **amend** 5-20-208 as
12 follows:

13 **5-20-208. Total and permanent disability of the private**
14 **education credit borrower or cosigner.** (1) For any private education
15 ~~loan~~ CREDIT OBLIGATION issued on or after June 29, 2021, a private
16 education ~~lender~~ CREDITOR, when notified of the total and permanent
17 disability of a private education ~~loan~~ CREDIT borrower or cosigner, shall
18 release any cosigner from the obligations of the cosigner under a private
19 education ~~loan~~ CREDIT OBLIGATION. The ~~lender~~ CREDITOR shall not
20 attempt to collect a payment from a cosigner following a notification of
21 total and permanent disability of the private education ~~loan~~ CREDIT
22 borrower or cosigner.

23 (2) A ~~lender~~ CREDITOR shall, when notified of the total and
24 permanent disability of a private education ~~loan~~ CREDIT borrower,
25 discharge the liability of the private education ~~loan~~ CREDIT borrower and
26 cosigner on the ~~loan~~ CREDIT OBLIGATION.

27 (3) After receiving a notification described in subsection (2) of

1 this section, the ~~lender~~ CREDITOR shall not:

2 (a) Attempt to collect on the outstanding liability of the private
3 education ~~loan~~ CREDIT borrower or cosigner; or

4 (b) Monitor the disability status of the private education ~~loan~~
5 CREDIT borrower at any point after the date of discharge.

6 (4) A ~~lender~~ CREDITOR shall, within thirty days after the release
7 of either a cosigner or private education ~~loan~~ CREDIT borrower from the
8 obligations of a private education ~~loan~~ CREDIT OBLIGATION pursuant to
9 subsection (1) or (2) of this section, notify both the private education ~~loan~~
10 CREDIT borrower and cosigner of the release.

11 (5) A ~~lender~~ CREDITOR shall, within thirty days after receiving
12 notice of the total and permanent disability of a private education ~~loan~~
13 CREDIT borrower pursuant to subsection (1) of this section, provide the
14 private education ~~loan~~ CREDIT borrower an option to designate an
15 individual to have the legal authority to act on behalf of the private
16 education ~~loan~~ CREDIT borrower.

17 (6) If a cosigner is released from the obligations of a private
18 education ~~loan~~ CREDIT OBLIGATION pursuant to subsection (1) of this
19 section, the ~~lender~~ CREDITOR shall not require the private education ~~loan~~
20 CREDIT borrower to obtain another cosigner on the ~~loan~~ CREDIT
21 obligation.

22 (7) A ~~lender~~ CREDITOR shall not declare a default or accelerate the
23 debt against the private education ~~loan~~ CREDIT borrower on the sole basis
24 of the release of the cosigner from the ~~loan~~ CREDIT obligation due to total
25 and permanent disability pursuant to subsection (1) of this section.

26 **SECTION 24.** In Colorado Revised Statutes, **amend 5-20-209** as
27 follows:

1 **5-20-209. Refinancing - additional disclosures - limitations on**
2 **default pending approval.** (1) Before offering a person a private
3 education ~~loan~~ CREDIT OBLIGATION that is being used to refinance an
4 existing education ~~loan~~ CREDIT OBLIGATION, a private education ~~lender~~
5 CREDITOR shall provide the person a disclosure explaining that benefits
6 and protections applicable to the existing ~~loan~~ CREDIT OBLIGATION may
7 be lost due to the refinancing. The disclosure must be provided on a
8 one-page information sheet in at least twelve-point type and must be
9 written in simple, clear, understandable, and easily readable language.

10 (2) If a private education ~~lender~~ CREDITOR offers any private
11 education ~~loan~~ CREDIT borrower modified or flexible repayment options
12 in connection with a private education ~~loan~~ CREDIT OBLIGATION, the
13 ~~lender~~ CREDITOR shall offer those modified or flexible repayment options
14 to all of ~~its~~ THE CREDITOR'S private education ~~loan~~ CREDIT borrowers. In
15 addition, the ~~lender~~ CREDITOR shall:

16 (a) Provide on its website a description of any modified or flexible
17 repayment options offered by the ~~lender~~ CREDITOR for private education
18 ~~loans~~ CREDIT OBLIGATIONS;

19 (b) Establish policies and procedures and implement modified or
20 flexible repayment options consistently in order to facilitate the
21 evaluation of private education ~~loan~~ CREDIT OBLIGATION modified or
22 flexible repayment option requests, including providing accurate
23 information regarding any such options that may be available to the
24 private education ~~loan~~ CREDIT borrower through the promissory note or
25 that may have been marketed to the private education ~~loan~~ CREDIT
26 borrower through marketing materials; and

27 (c) Consistently present and offer private education ~~loan~~ CREDIT

1 OBLIGATION modified or flexible repayment options to private education
2 ~~loan~~ CREDIT borrowers with similar financial circumstances, if the ~~lender~~
3 CREDITOR offers such repayment options.

4 (3) A private education ~~lender~~ CREDITOR shall not place a ~~loan~~
5 CREDIT OBLIGATION or account into default or accelerate a ~~loan~~ CREDIT
6 OBLIGATION while a private education ~~loan~~ CREDIT borrower is seeking
7 a ~~loan~~ CREDIT OBLIGATION modification or enrollment in a modified or
8 flexible repayment plan; except that a ~~lender~~ CREDITOR may place a ~~loan~~
9 CREDIT OBLIGATION or account into default or accelerate a ~~loan~~ CREDIT
10 OBLIGATION for payment default ninety days after the private education
11 ~~loan~~ CREDIT borrower's default.

12 **SECTION 25.** In Colorado Revised Statutes, 5-20-210, **amend**
13 (1) introductory portion, (1)(a), and (1)(c) as follows:

14 **5-20-210. Prohibited conduct.** (1) A private education ~~lender~~
15 CREDITOR shall not:

16 (a) Offer any private education ~~loan~~ CREDIT OBLIGATION that is
17 DOES not ~~in conformity~~ COMPLY with this part 2 or WITH rules or orders
18 of the administrator THAT ARE ISSUED under this part 2 or that violates any
19 other state or federal law;

20 (c) (I) Take an assignment of earnings of the PRIVATE EDUCATION
21 CREDIT borrower or cosigner for payment or as a security for payment of
22 a debt arising out of a private education ~~loan~~ CREDIT OBLIGATION. An
23 assignment of earnings in violation of this section is unenforceable by the
24 assignee of the earnings and revocable by the borrower or cosigner.

25 (II) A sale of unpaid earnings made in consideration of the
26 payment of money to or for the account of the seller of the earnings is
27 deemed to be a ~~loan~~ CREDIT OBLIGATION to the seller, secured by an

1 assignment of earnings.

2 **SECTION 26.** In Colorado Revised Statutes, 5-20-211, **amend**
3 (1) as follows:

4 **5-20-211. Record retention - confidentiality.** (1) A private
5 education ~~lender~~ CREDITOR shall establish and maintain records and
6 permit the administrator to access and copy any records or records
7 systems required to be maintained pursuant to this part 2 or rules of the
8 administrator adopted to implement this part 2. The ~~lender~~ CREDITOR shall
9 retain loan files, including any records specified for retention under rules
10 of the administrator, for not less than six years after the termination of the
11 ~~loan~~ CREDIT OBLIGATION account.

12 **SECTION 27.** In Colorado Revised Statutes, 5-20-212, **amend**
13 (1), (1.5)(a), (2), (3), (4)(a), (5), (6) introductory portion, (6)(b), and
14 (6)(d) as follows:

15 **5-20-212. Collection on debt - prerequisites - documentation.**
16 (1) Unless the private education ~~loan~~ CREDIT borrower has invoked his
17 ~~or her~~ THE BORROWER'S right to cease communication with the collection
18 agency, a collection agency attempting to collect a private education ~~loan~~
19 CREDIT OBLIGATION shall provide the following information, in addition
20 to any other information required under applicable federal or state law, to
21 the private education ~~loan~~ CREDIT borrower in the debt collection
22 communication immediately following the communication confirming the
23 correct identity of the private education ~~loan~~ CREDIT borrower and at any
24 other time the private education ~~loan~~ CREDIT borrower so requests:

25 (a) For private education ~~loans~~ CREDIT OBLIGATIONS referred to
26 collections on or after June 29, 2021, the name of the owner of the private
27 education ~~loan~~ CREDIT OBLIGATION debt;

1 (b) The name of the true original ~~lender~~ CREDITOR and every
2 subsequent ~~loan~~ CREDIT OBLIGATION holder, if applicable;

3 (c) The true original ~~lender's~~ CREDITOR'S account number used to
4 identify the private education ~~loan~~ CREDIT OBLIGATION debt at the time of
5 default, if the true original ~~lender~~ CREDITOR used an account number to
6 identify the private education ~~loan debt~~ CREDIT OBLIGATION at the time of
7 default. The collection agency may rely on account numbers provided by
8 the ~~lender~~ CREDITOR.

9 (d) The amount due when the private education ~~loan~~ CREDIT
10 OBLIGATION was referred to collections;

11 (e) For private education ~~loans~~ CREDIT OBLIGATIONS referred to
12 collections on or after June 29, 2021, a log of all payments made on the
13 student ~~loan~~ CREDIT OBLIGATION account;

14 (f) A copy of all pages of the contract, application, or other
15 documents evidencing the private education ~~loan~~ CREDIT borrower's
16 liability for the private education ~~loan~~ CREDIT OBLIGATION, stating all
17 terms and conditions applicable to the ~~loan~~ CREDIT OBLIGATION; and

18 (g) A clear and conspicuous statement disclosing that the private
19 education ~~loan~~ CREDIT borrower has a right to request all nonprivileged
20 information possessed by the ~~lender~~ CREDITOR or collection agency
21 related to the defaulted private education ~~loan~~ CREDIT OBLIGATION debt,
22 including the required information described in subsection (2) of this
23 section, and that failure to provide that information within thirty days
24 after such a request precludes the collection agency from collecting or
25 attempting to collect the ~~debt~~ CREDIT OBLIGATION.

26 (1.5) (a) From the information listed in subsection (1) of this
27 section, the collection agency may redact the private education ~~loan~~

1 CREDIT borrower's social security number, all but the last four digits of the
2 private education ~~loan~~ CREDIT borrower's account number, and any other
3 personal identifying information. A collection agency that, in good faith,
4 attempts to validate the identity of the borrower and sends the information
5 required by this section in conjunction with the notice required by 15
6 U.S.C. sec. 1692g (a) is deemed to have verified the identity of the
7 borrower for purposes of this section.

8 (2) A collection agency shall not collect or attempt to collect a
9 private education ~~loan~~ CREDIT OBLIGATION debt unless the collection
10 agency possesses, and furnishes the following information to the private
11 education ~~loan~~ CREDIT borrower upon request within thirty days after the
12 request; and, for ~~loans~~ CREDIT OBLIGATIONS referred to collections before
13 June 29, 2021, the collection agency shall have thirty days to acquire the
14 information from the private education ~~lender~~ CREDITOR:

15 (a) The name of the owner of the private education ~~loan~~ CREDIT
16 OBLIGATION;

17 (b) The name of the true original ~~lender~~ CREDITOR and every
18 subsequent ~~loan~~ CREDIT OBLIGATION holder, if applicable;

19 (c) The true original ~~lender's~~ CREDITOR'S account number used to
20 identify the private education ~~loan~~ CREDIT OBLIGATION at the time of
21 default, if the true original ~~lender~~ CREDITOR used an account number to
22 identify the ~~loan~~ CREDIT OBLIGATION at the time of default, and the
23 account number assigned to the ~~loan~~ CREDIT OBLIGATION by each
24 subsequent ~~loan~~ CREDIT OBLIGATION holder, if known;

25 (d) The amount due when the private education ~~loan~~ CREDIT
26 OBLIGATION was referred to collections;

27 (e) An itemization of interest and fees, if any, claimed to be owed

1 and whether those were imposed by the true original ~~lender~~ CREDITOR or
2 any subsequent owners of the private education ~~loan~~ CREDITOR. The
3 collection agency may rely on information provided by the ~~lender~~
4 CREDITOR.

5 (f) The date that the private education ~~loan~~ CREDIT OBLIGATION
6 was incurred;

7 (g) A billing statement or other account record indicating the date
8 of the last payment made on the private education ~~loan~~ CREDIT
9 OBLIGATION, if applicable;

10 (h) (I) A log of all collection attempts made by the collection
11 agency in the immediately preceding twelve months, including the date
12 and time of all calls and letters; and

13 (II) For private education ~~loans~~ CREDIT OBLIGATIONS referred to
14 collections on or after June 29, 2021, copies of all settlement letters or,
15 in the alternative, a statement that the collection agency has not attempted
16 to settle or otherwise renegotiate the ~~debt~~ CREDIT OBLIGATION;

17 (i) A copy of all pages of the contract, application, or other
18 documents evidencing the private education ~~loan~~ CREDIT borrower's
19 liability for the private education ~~loan~~ CREDIT OBLIGATION, stating all
20 terms and conditions applicable to the ~~loan~~ CREDIT OBLIGATION; and

21 (j) Documentation establishing that the collection agency is the
22 owner, or acting on behalf of the owner, of the specific, individual private
23 education ~~loan~~ CREDIT OBLIGATION at issue. If the private education ~~loan~~
24 CREDIT borrower disputes the ownership or assignment of the ~~loan~~ CREDIT
25 OBLIGATION, the collection agency ~~shall bear~~ HAS the burden of
26 establishing the unbroken chain of ownership, beginning with the true
27 original ~~lender~~ CREDITOR to the first subsequent ~~loan~~ CREDIT OBLIGATION

1 holder and each additional ~~loan~~ CREDIT OBLIGATION holder.

2 (3) Upon a private education ~~loan~~ CREDIT borrower's default in
3 payment on a private education ~~loan~~ CREDIT OBLIGATION, and before a
4 ~~lender~~ CREDITOR may accelerate the maturity of the ~~loan~~ CREDIT
5 OBLIGATION or commence a legal action against the private education
6 ~~loan~~ CREDIT borrower, the ~~lender~~ CREDITOR shall provide to the private
7 education ~~loan~~ CREDIT borrower a notice of intention to accelerate the
8 ~~loan~~ CREDIT OBLIGATION. The ~~lender~~ CREDITOR shall provide the notice
9 at least thirty days, but not more than one hundred days, in advance of the
10 action.

11 (4) (a) A ~~lender~~ CREDITOR or debt buyer that intends to collect or
12 attempt to collect a private education ~~loan-debt~~ CREDIT OBLIGATION shall
13 provide written notice of that intention to the private education ~~loan~~
14 CREDIT borrower by registered or certified mail, return receipt requested,
15 at the private education ~~loan~~ CREDIT borrower's last-known address.

16 (5) An action to enter a judgment against a private education ~~loan~~
17 CREDIT borrower must be commenced within six years of the date the
18 private education ~~loan~~ CREDIT borrower failed to make a payment.

19 (6) A ~~lender~~ CREDITOR or collection agency that, on or after June
20 29, 2021, commences a legal action against a private education ~~loan~~
21 CREDIT borrower shall attach the following documentation and
22 information to the complaint filed in a court of competent jurisdiction:

23 (b) The date of the partial or missed payment that led to the
24 referral of the private education ~~loan~~ CREDIT OBLIGATION to collections;

25 (d) A statement as to whether the ~~lender~~ CREDITOR or collection
26 agency is willing to renegotiate the terms of the ~~debt~~ CREDIT OBLIGATION;

27 **SECTION 28.** In Colorado Revised Statutes, 5-20-213, **amend**

1 (1)(a), (2) introductory portion, (2)(a), (2)(b), (2)(d), and (2)(g) as
2 follows:

3 **5-20-213. Actions - counterclaims.** (1) (a) For litigation
4 proceedings commenced on or after June 29, 2021, a court shall not enter
5 a judgment on a private education ~~loan~~ CREDIT obligation if the collection
6 agency does not comply with the requirements of section 5-20-212.

7 (2) If a ~~lender~~ CREDITOR or collection agency fails to comply with
8 the requirements of this part 2, a private education ~~loan~~ CREDIT borrower
9 may bring an action, including a counterclaim, against the ~~lender~~
10 CREDITOR or collection agency to recover or obtain:

11 (a) An order setting aside or vacating any default judgment
12 entered against the private education ~~loan~~ CREDIT borrower;

13 (b) A judgment in favor of the private education ~~loan~~ CREDIT
14 borrower;

15 (d) Restitution of all money taken from or paid by the private
16 education ~~loan~~ CREDIT borrower after a judgment was obtained by a
17 creditor;

18 (g) Correction of the private education ~~loan~~ CREDIT borrower's
19 credit report;

20 **SECTION 29.** In Colorado Revised Statutes, 5-20-114, **amend**
21 (1) introductory portion, (2) introductory portion, (2)(b), (4), and (5) as
22 follows:

23 **5-20-214. Remedies - civil actions - limitations - deceptive**
24 **trade practice.** (1) In addition to any other remedies provided by this
25 part 2 or otherwise provided by law, whenever it is proven by a
26 preponderance of the evidence that a ~~lender~~ CREDITOR or collection
27 agency has filed with a court or provided to the private education ~~loan~~

1 CREDIT borrower information required under this part 2 that is false, the
2 court shall award to the private education ~~loan~~ CREDIT borrower the
3 greater of:

4 (2) A private education ~~loan~~ CREDIT borrower or cosigner who
5 suffers damage as a result of a violation of this part 2 may bring an action
6 in a court of competent jurisdiction to recover:

7 (b) An order requiring the ~~lender~~ CREDITOR or collection agency
8 to take all actions necessary to correct the private education loan
9 borrower's credit report;

10 (4) A violation of this part 2 is a deceptive trade practice as
11 specified in section 6-1-105. A private education ~~lender~~ CREDITOR or
12 collection agency that fails to comply with any requirement imposed
13 under this part 2 with respect to a private education ~~loan~~ CREDIT borrower
14 or cosigner is liable in an amount equal to the sum of:

15 (a) Any actual damages sustained by the private education ~~loan~~
16 CREDIT borrower or cosigner as a result of the failure;

17 (b) A monetary award equal to three times the total amount the
18 private education ~~lender~~ CREDITOR or collection agency collected from
19 the private education ~~loan~~ CREDIT borrower or cosigner in violation of
20 this part 2;

21 (c) Punitive damages as the court may allow; and

22 (d) In the case of any successful action by a private education ~~loan~~
23 CREDIT borrower to enforce the liability set out in this section, the costs
24 of the action, together with reasonable attorney fees as determined by the
25 court.

26 (5) The remedies provided in this section are not the exclusive
27 remedies available to a private education ~~loan~~ CREDIT borrower or

1 cosigner.

2 **SECTION 30. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly; except
5 that, if a referendum petition is filed pursuant to section 1 (3) of article V
6 of the state constitution against this act or an item, section, or part of this
7 act within such period, then the act, item, section, or part will not take
8 effect unless approved by the people at the general election to be held in
9 November 2024 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.