

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

April 21, 2021

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB21-057 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, page 2, after line 1 insert:

2 "SECTION 1. In Colorado Revised Statutes, 5-19-206, amend
3 (12) as follows:

4 **5-19-206. Application for registration - required information.**
5 An application for registration shall be signed under penalty of false
6 statement and include:

7 (12) At the applicant's expense, the results of a state and national
8 fingerprint-based criminal history records check, conducted within the
9 immediately preceding twelve months, covering every officer of the
10 applicant and every employee or agent of the applicant who is authorized
11 to initiate transactions to the trust account required by section 5-19-222.
12 The administrator shall be the authorized agency to receive information
13 regarding the result of the national criminal history records check. IF A
14 PROVIDER DELEGATES TO AN INDEPENDENT CONTRACTOR OR
15 SUBCONTRACTOR THE AUTHORITY TO INITIATE TRANSACTIONS TO THE
16 TRUST ACCOUNT REQUIRED BY SECTION 5-19-222, THE ADMINISTRATOR IS
17 ENTITLED TO RECEIVE THE RESULTS OF THE STATE AND NATIONAL
18 FINGERPRINT-BASED CRIMINAL HISTORY RECORDS CHECK ONLY FOR THOSE
19 INDEPENDENT CONTRACTORS OR SUBCONTRACTORS WHO ARE AUTHORIZED
20 TO INITIATE TRUST ACCOUNT TRANSACTIONS PURSUANT TO THAT
21 DELEGATED AUTHORITY."

22 Renumber succeeding sections accordingly.



- 1 Page 5, strike line 2 and substitute "A PRIVATE EDUCATION LOAN. THE
2 TERM INCLUDES".
- 3 Page 5, line 14, after "NEEDED" insert "SOLELY".
- 4 Page 5, line 19, after the period add ""CREDITOR" DOES NOT INCLUDE A
5 COLLECTION AGENCY AS DEFINED IN SECTION 5-16-103 (3)".
- 6 Page 6, strike lines 6 through 14 and substitute:
- 7 (I) A BANK, AS DEFINED IN 12 U.S.C. SEC. 1841 (c);
8 (II) A CREDIT UNION; OR
9 (III) AN INDUSTRIAL BANK ORGANIZED UNDER TITLE 7, CHAPTER
10 8, FINANCIAL INSTITUTIONS ACT, UTAH CODE ANNOTATED, AS
11 AMENDED."
- 12 Page 7, strike line 11 and substitute:
- 13 (9) (a) "TOTAL AND PERMANENT DISABILITY" MEANS, EXCEPT AS
14 OTHERWISE PROVIDED IN SUBSECTION (9)(b) OF THIS SECTION, THE
15 CONDITION".
- 16 Page 7, line 13, strike "(a)" and substitute "(I)".
- 17 Page 7, line 16, strike "(b)" and substitute "(II)".
- 18 Page 7, after line 21 insert:
- 19 (b) "TOTAL AND PERMANENT DISABILITY" DOES NOT INCLUDE A
20 CONDITION THAT HAS NOT PROGRESSED OR BEEN EXACERBATED, OR THAT
21 THE INDIVIDUAL DID NOT ACQUIRE, UNTIL AFTER THE CLOSING OF THE
22 LOAN AGREEMENT."
- 23 Page 8, line 2, strike "BY RULE".
- 24 Page 8, line 5, after the comma insert "AS ESTABLISHED BY THE
25 ADMINISTRATOR BY RULE, AND AT OTHER TIMES UPON THE
26 ADMINISTRATOR'S REQUEST,".
- 27 Page 8, line 17, change the semicolon to a comma and add "INCLUDING
28 THE DEFAULT RATE FOR PRIVATE EDUCATION LOANS MADE TO PRIVATE



- 1 EDUCATION LOAN BORROWERS AT EACH SCHOOL LISTED PURSUANT TO
2 SUBSECTION (2)(b)(I) OF THIS SECTION;".
- 3 Page 9, line 17, strike "KNOWINGLY".
- 4 Page 9, line 18, strike "SECTION, OR" and substitute "PART 2, OR" and
5 strike "SECTION, AND" and substitute "PART 2, AND".
- 6 Page 9, line 22, strike "THE".
- 7 Page 9, strike lines 23 through 27.
- 8 Page 10, strike lines 1 and 2.
- 9 Page 10, after line 2 insert:
- 10 "(6) THE ADMINISTRATOR MAY PRESCRIBE AN ALTERNATIVE
11 REGISTRATION PROCESS AND FEE STRUCTURE FOR PUBLIC AND PRIVATE
12 NONPROFIT POSTSECONDARY EDUCATIONAL INSTITUTIONS."
- 13 Renumber succeeding subsection accordingly.
- 14 Page 10, strike lines 4 and 5 and substitute "THE ADMINISTRATOR
15 PURSUANT TO SECTION 5-6-202 OR REQUIRED TO HOLD A LICENSE
16 PURSUANT TO SECTION 5-2-301, 5-16-118, OR 5-20-106 IS".
- 17 Page 10, line 7, strike "SECTION." and substitute "PART 2."
- 18 Page 16, lines 8 and 9, strike "DUE TO TOTAL AND PERMANENT
19 DISABILITY," and substitute "PURSUANT TO SUBSECTION (1) OR (2) OF THIS
20 SECTION,".
- 21 Page 16, line 11, strike "SHALL" and substitute "SHALL, WITHIN THIRTY
22 DAYS AFTER RECEIVING NOTICE OF THE TOTAL AND PERMANENT
23 DISABILITY OF A PRIVATE EDUCATION LOAN BORROWER PURSUANT TO
24 SUBSECTION (1) OF THIS SECTION,".
- 25 Page 16, strike lines 14 and 15 and substitute "BORROWER."
- 26 Page 16, line 23, strike the period and substitute "PURSUANT TO
27 SUBSECTION (1) OF THIS SECTION."



1 Page 18, strike lines 15 through 22 and substitute:

2 "(c) (I) TAKE AN ASSIGNMENT OF EARNINGS OF THE BORROWER OR
3 COSIGNER FOR PAYMENT OR AS A SECURITY FOR PAYMENT OF A DEBT
4 ARISING OUT OF A PRIVATE EDUCATION LOAN. AN ASSIGNMENT OF
5 EARNINGS IN VIOLATION OF THIS SECTION IS UNENFORCEABLE BY THE
6 ASSIGNEE OF THE EARNINGS AND REVOCABLE BY THE BORROWER OR
7 COSIGNER.

8 (II) A SALE OF UNPAID EARNINGS MADE IN CONSIDERATION OF THE
9 PAYMENT OF MONEY TO OR FOR THE ACCOUNT OF THE SELLER OF THE
10 EARNINGS IS DEEMED TO BE A LOAN TO THE SELLER, SECURED BY AN
11 ASSIGNMENT OF EARNINGS."

12 Page 19, line 23, after "(1)" insert "(a)".

13 Page 19, line 25, strike "SHALL PROVIDE," and substitute "SHALL, AFTER
14 CONFIRMING THE CORRECT IDENTITY OF THE PRIVATE EDUCATION LOAN
15 BORROWER, PROVIDE THE FOLLOWING INFORMATION TO THE PRIVATE
16 EDUCATION LOAN BORROWER".

17 Page 20, line 2, strike "(a)" and substitute "(I)".

18 Page 20, line 4, strike "(b)" and substitute "(II)".

19 Page 20, line 6, strike "(c)" and substitute "(III)".

20 Page 20, line 10, strike "(d)" and substitute "(IV)".

21 Page 20, line 11, strike "(e)" and substitute "(V)".

22 Page 20, line 13, strike "(f)" and substitute "(VI)".

23 Page 20, line 17, strike "(g)" and substitute "(VII)".

24 Page 20, after line 24 insert:

25 "(1.5) (a) FROM THE INFORMATION LISTED IN SUBSECTION (1)(a)
26 OF THIS SECTION, THE COLLECTION AGENCY MAY REDACT THE PRIVATE
27 EDUCATION LOAN BORROWER'S SOCIAL SECURITY NUMBER, ALL BUT THE
28 LAST FOUR DIGITS OF THE PRIVATE EDUCATION LOAN BORROWER'S
29 ACCOUNT NUMBER, AND ANY OTHER PERSONAL IDENTIFYING



- 1 INFORMATION.
- 2 (b) THE INFORMATION LISTED IN SUBSECTION (1)(a) OF THIS
3 SECTION MAY ACCOMPANY ANY DEBT VALIDATION NOTICE ISSUED TO THE
4 DEBTOR PURSUANT TO SECTION 5-16-109 (1).".
- 5 Page 21, strike lines 11 and 12.
- 6 Reletter succeeding paragraphs accordingly.
- 7 Page 21, strike lines 18 through 20.
- 8 Reletter succeeding paragraphs accordingly.
- 9 Page 21, strike lines 24 through 27.
- 10 Page 22, strike lines 1 through 6.
- 11 Reletter succeeding paragraphs accordingly.
- 12 Page 23, strike lines 10 through 13.
- 13 Renumber succeeding subsections accordingly.
- 14 Page 24, line 1, strike "(5)" and substitute "(4)".
- 15 Page 24, strike lines 13 and 14 and substitute "FILED IN A COURT OF
16 COMPETENT JURISDICTION:".
- 17 Page 24, line 16, strike "(5)" and substitute "(4)".
- 18 Page 24, strike lines 19 through 21.
- 19 Reletter succeeding paragraphs accordingly.
- 20 Page 24, line 25, strike "OPTION; AND" and substitute "OPTION.".
- 21 Page 24, strike lines 26 and 27.
- 22 Page 26, line 1, strike "THE ADMINISTRATOR OR".
- 23 Page 26, strike line 12.



- 1 Reletter succeeding paragraphs accordingly.
- 2 Page 26, line 14, strike "RESTORE" and substitute "CORRECT".
- 3 Page 26, line 15, strike "RATING;" and substitute "REPORT;".
- 4 Page 26, after line 18, insert:
 - 5 "(2.5) A COURT SHALL NOT AWARD MONETARY DAMAGES UNDER
 - 6 BOTH THIS PART 2 AND ARTICLE 16 OF THIS TITLE 5 FOR VIOLATIONS OF
 - 7 LAW ARISING FROM SPECIFIC INSTANCES OF THE SAME CONDUCT."
- 8 Page 27, line 6, strike "WITHIN THE MEANING OF" and substitute "AS
- 9 SPECIFIED IN".
- 10 Page 27, strike lines 25 through 27.
- 11 Page 28, strike lines 1 through 20.
- 12 Renumber succeeding sections accordingly.
- 13 Page 28, line 22, before "(3)(c)" insert "(3)(a) and".
- 14 Page 28, strike line 25 and substitute "**licensing fund.** (a) The student
- 15 loan ombudsperson and student loan servicer licensing fund, referred to
- 16 in this section as the "fund", is hereby created in the state treasury. The
- 17 fund consists of licensing and investigation fees collected pursuant to
- 18 ~~section 5-20-107~~ SECTIONS 5-20-107 AND 5-20-203 (2)(a), civil penalties
- 19 collected pursuant to sections 5-20-114, ~~and~~ 5-20-117, AND 5-20-203 (4),
- 20 any other money required by law to be deposited in the fund, and any
- 21 other money that the general assembly may appropriate or transfer to the
- 22 fund.
- 23 (c) All money held in the fund is continuously".

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