



News

Hinshaw Announces Second Edition of "Student Loan Servicing Regulations: 50 State Guide on Laws and Legislation"

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*** Update 9.17.2020: a new Fourth Edition is now available | [Download your copy of the guide \(PDF\)](#) |**

Hinshaw & Culbertson is pleased to announce the publication of the Second Edition of its 50 State Guide on Student Loan Servicing Regulations. First launched in 2017 in response to aggressive action taken by a number of states to regulate student loan servicers, the national guide summarizes current state law and pending legislation regarding student loan servicing as of May 31, 2018.

This time last year, California, Connecticut, Illinois, and Washington, D.C. had passed comprehensive legislation to regulate the way student loans are serviced, establish student loan Ombudsmans to handle complaints, and, in some cases, require licensure of student loan servicers. One year later, three more states have enacted laws with similar provisions: Maryland, Washington, and Virginia. The new entrants increase the number of states regulating student loan servicing activities to seven.

In addition to the new laws, the existing jurisdictions of Washington, D.C. and California have issued rules specifying licensing fees, processes, and actions servicers must take in order to be compliant. Those rules continue to be modified and updated.

Perhaps the primary development in 2018 is litigation concerning alleged federal preemption of particular state laws concerning loans held by or serviced for the Department of Education in two separate actions. The first is an action brought by the Student Loan Servicing Alliance regarding the Washington D.C. law, and the second is an action brought by the Pennsylvania Higher Education Assistance Agency regarding the Connecticut law. Both cases are currently in the D.C. Circuit Court with motions on the pleadings pending.

This guide aims to inform student loan servicers of the regulations specific to the student loan servicing industry. It is intended as a quick reference guide, highlighting the states where laws have already been enacted, and providing information regarding the bills that have been considered through May 31, 2018. Finally, the state-by-state summaries outline the major provisions of legislation in each state, providing an overview of who is impacted, the process for licensure, servicer's duties and prohibitions, and the state's enforcement powers.

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Note, this guide does not contain legal advice or establish an attorney-client relationship, and we recommend review of the actual language and status of each law and piece of legislation as well as continued review on an ongoing case-by-case basis and consultation with counsel as appropriate to ensure compliance.