



News

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

September 4, 2019

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

Hinshaw & Culbertson LLP today announced the publication of the Third Edition of its 50 State Guide on Student Loan Servicing Regulations. Since the second edition of this reference guide for student loan servicers was released in June 2018, the total number of states with laws regulating servicers has nearly doubled, to a total of 13.

The new edition includes for the first time language of the rules and regulations implementing the state laws which regulate student loan servicers. It also provides updated information on new or revised state laws, changes as a result of litigation and court rulings, and updates on pending legislation regarding student loan servicing, as of May 31, 2019.

Over the last year, six additional states have enacted student loan servicing laws, including Colorado, Maine, Nevada, New Jersey, New York and Rhode Island. California and Washington, D.C., have developed regulations outlining licensing fees, processes and actions that servicers must take in order to meet compliance. In addition, proposed rules are currently pending in Illinois and New York.

Washington, D.C. modified its servicer regulations following a federal court ruling which held that the jurisdiction's licensing requirement was preempted by the Higher Education Act (HEA) for federal, DIRECT and Non-Commercial FFELP loans. Although many states have respected the D.C. court's ruling when enacting new laws, New York and Colorado may have adopted the most controversial loan servicing rules. While laws in both states contemplate automatic licensing for federal student loan servicers, these states require that federal loan servicers comply with substantive servicing standards, which could lead to legal challenges to these rules.

Hinshaw's Student Loan Guide is designed to serve as a quick reference guide and resource for student loan servicers regarding the regulations specific to the industry, as well as pending state legislation, litigation and court rulings. State-by-state summaries provide an overview of the major provisions of state laws, processes for licensure, loan servicers' duties and each state's enforcement powers.

Attorneys

Vaishali S. Rao

Service Areas

Consumer Financial Services
Regulatory and Compliance
Counseling



Note, this guide does not contain legal advice or establish an attorney-client relationship. 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.