

ARTICLE 15

PRIVATE STUDENT LENDER REGISTRY

§15-101. Definitions

As used in this Article, unless the context indicates otherwise, the following terms have the following meanings. [PL 2021, c. 357, §1 (NEW).]

1. Provider of postsecondary education. "Provider of postsecondary education" means a person engaged in the business of providing postsecondary education directly, by correspondence or by the Internet to a person located in the State. "Provider of postsecondary education" also includes a person not authorized to operate as and not accredited as a postsecondary educational institution in the State. [PL 2021, c. 357, §1 (NEW).]

2. Student financing. "Student financing" means an extension of credit or a debt or obligation owned or incurred by a student, contractual or otherwise, that:

A. Is not made, insured or guaranteed under the federal Higher Education Act of 1965, 20 United States Code, Chapter 28, Subchapter IV; and [PL 2021, c. 357, §1 (NEW).]

B. Is extended to or owned or incurred by a student expressly for postsecondary education expenses regardless of whether the extension of credit or a debt or obligation owned or incurred is provided by or owed to the provider of postsecondary education that the student attends. [PL 2021, c. 357, §1 (NEW).]

"Student financing" does not include a loan secured by real property or a dwelling. [PL 2021, c. 357, §1 (NEW).]

3. Student financing company. "Student financing company" means a person engaged in the business of making or extending credit to a student for postsecondary education expenses or a holder of debt or obligation owned or incurred by a student to finance postsecondary education expenses. "Student financing company" does not include a supervised financial organization; a financial institution holding company as defined in Title 9-B, section 1011, subsection 1; a mutual holding company as defined in Title 9-B, section 1052, subsection 2; a wholly owned subsidiary of a supervised financial organization, financial institution holding company or mutual holding company; or the Finance Authority of Maine. Only to the extent that state regulation is preempted by federal law, "student financing company" does not include:

A. A federally chartered bank, savings bank, savings and loan association or credit union; [PL 2021, c. 357, §1 (NEW).]

B. A wholly owned subsidiary of a federally chartered bank or credit union; or [PL 2021, c. 357, §1 (NEW).]

C. An operating subsidiary of a wholly owned subsidiary of a federally chartered bank or credit union in which each owner of the operating subsidiary is wholly owned by the same federally chartered bank or credit union. [PL 2021, c. 357, §1 (NEW).]

[PL 2021, c. 357, §1 (NEW).]

4. Superintendent. "Superintendent" means the Superintendent of Consumer Credit Protection within the Department of Professional and Financial Regulation. [PL 2021, c. 357, §1 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §1 (NEW).

§15-102. Private student lender registry

1. Private student lender registry. A person may not engage in the business of student financing as a student financing company in the State unless the person:

A. Registers with the superintendent under rules or procedures adopted by the superintendent, including the payment of a fee of not less than \$500 annually; and [PL 2021, c. 357, §1 (NEW).]

B. Provides the superintendent, at the time of registration under paragraph A and annually after registration, with the following information for the previous year:

(1) A list of all providers of postsecondary education for which the person has provided student financing to a student residing in the State;

(2) The number of student financing transactions made to students residing in the State;

(3) The number of student financing transactions made for each provider of postsecondary education listed in subparagraph (1);

(4) The default rate for a student obtaining student financing from the person; and

(5) A sample copy of the promissory note, agreement, contract or other instrument used by the person to extend student financing. [PL 2021, c. 357, §1 (NEW).]

[PL 2021, c. 357, §1 (NEW).]

2. Publicly accessible website. By November 15, 2022, the superintendent shall list on a publicly accessible website the following information, which must be updated on at least an annual basis:

A. The name, address, telephone number and website address for each student financing company registered under this section; [PL 2021, c. 357, §1 (NEW).]

B. A summary of the information required under subsection 1, paragraph B, subparagraphs (1) to (4); and [PL 2021, c. 357, §1 (NEW).]

C. A sample copy of each promissory note, agreement, contract or other instrument provided to the superintendent pursuant to subsection 1, paragraph B, subparagraph (5). [PL 2021, c. 357, §1 (NEW).]

[PL 2021, c. 357, §1 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §1 (NEW).

§15-103. Violations

1. Fine. The superintendent may impose a fine of up to \$25,000 on a person for any violation of this Article. Each violation of this Article or of any rule adopted pursuant to section 15-104 is a separate offense for the purposes of this section.

[PL 2021, c. 357, §1 (NEW).]

2. Suspended from operating in State. If the superintendent finds that a person has knowingly violated any provision of this Article and the violation caused financial harm to a student, the superintendent may suspend the person from operating as or bar the person from being a stockholder, officer, director, partner, owner or employee of a student financing company for a period of up to 10 years.

[PL 2021, c. 357, §1 (NEW).]

3. Crime. A violation of this Article is a Class E crime.

[PL 2021, c. 357, §1 (NEW).]

4. Private right of action. A student financing company that fails to comply with this Article is liable to any person or class of persons obligated on such student financing contract for any of the following:

- A. Actual damages or \$500, whichever is greater; [PL 2021, c. 357, §1 (NEW).]
- B. An order enjoining the methods, acts or practices; [PL 2021, c. 357, §1 (NEW).]
- C. Restitution of property; [PL 2021, c. 357, §1 (NEW).]
- D. Punitive damages; [PL 2021, c. 357, §1 (NEW).]
- E. Attorney's fees; and [PL 2021, c. 357, §1 (NEW).]
- F. Any other relief that the court determines proper, including a declaration that the contract between the person or class of persons and the student financing company is void and unenforceable. [PL 2021, c. 357, §1 (NEW).]

[PL 2021, c. 357, §1 (NEW).]

5. Remedies. Any violation of this Article is subject to the remedies provided in this section in addition to remedies otherwise provided by law.

[PL 2021, c. 357, §1 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §1 (NEW).

§15-104. Rules

The superintendent may adopt rules to carry out the purposes of this Article. Rules adopted under this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. [PL 2021, c. 357, §1 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §1 (NEW).

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