

§16-103. Cosigned private education loan

1. Information prior to extension of loan. Prior to the extension of a private education loan that requires a cosigner, a private education lender shall deliver the following information to the cosigner:

A. How the private education loan will appear on the cosigner's credit report; [PL 2021, c. 357, §2 (NEW).]

B. How the cosigner will be notified if the private education loan becomes delinquent, and how the cosigner can cure a delinquency to avoid negative credit reporting and loss of cosigner release eligibility; and [PL 2021, c. 357, §2 (NEW).]

C. Eligibility criteria for cosigner release, including the number of on-time payments and any other criteria required to approve the cosigner release. [PL 2021, c. 357, §2 (NEW).]

[PL 2021, c. 357, §2 (NEW).]

2. Disclosure. Prior to offering a person a private education loan that is being used to refinance an existing education loan, a private education lender shall provide the person a disclosure that the benefits and protections applicable to the existing loan may be lost due to the refinancing.

[PL 2021, c. 357, §2 (NEW).]

3. Form of and access to information and disclosure. A private education lender shall provide the information disclosure required by subsections 1 and 2 on a one-page information sheet in 12-point type written in simple, clear, understandable and easily readable language. A private education lender shall provide a cosigner with access to all documents or records related to a cosigned private education loan that is available to the borrower. If a private education lender provides electronic access to a document or record to a borrower of a cosigned private education loan, the lender shall provide equivalent access to the cosigner. Upon written request of the borrower or cosigner, the lender may withhold individual contact information from the other party.

[PL 2021, c. 357, §2 (NEW).]

SECTION HISTORY

PL 2021, c. 357, §2 (NEW).

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