



129th MAINE LEGISLATURE

LD 995

LR 137(03)

An Act To Establish a Student Loan Bill of Rights To License and Regulate Student Loan Servicers

Fiscal Note for Bill as Engrossed with:

C "A" (S-225)

Committee: Health Coverage, Insurance and Financial Services

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Appropriations/Allocations				
Other Special Revenue Funds	\$9,300	\$18,600	\$18,600	\$18,600
Revenue				
Other Special Revenue Funds	\$28,900	\$39,200	\$39,200	\$39,200

Fiscal Detail and Notes

This bill requires the Superintendent of Consumer Credit to designate a student loan ombudsman within the Department of Professional and Financial Regulation (PFR) and establishes licensing and examination procedures for student loan services. PFR has indicated that the designation of a student loan ombudsman position can be fulfilled by an existing position and no additional personal services funds are needed for this purpose. PFR anticipates increased costs associated with the licensing, examination and investigation of student loan servicers. These costs include travel, training, supplies and general operating expenses. Accordingly, the bill includes Other Special Revenue Funds allocations of \$9,300 in fiscal year 2019-20 and \$18,600 in fiscal year 2020-21, assuming an effective date of January 1, 2020. This increase in allocation coincides with additional revenues collected by PFR from an estimated 39 license applications and 5 examinations per year.

Additional costs to the Finance Authority of Maine to assist the student loan ombudsman with complaints can be absorbed within existing budgeted resources.