

Student Loan Borrower Bill of Rights



The Student Loan Borrower Bill of Rights provides protections for Minnesotans who have student loans that are serviced by providers identified in the law. The servicer of a student loan is often not the same as the student loan borrower and services the loan by managing the process for borrowers to repay the loan.



DO

Acknowledge written communication from a borrower within 10 days and respond within 30 days

Confirm how borrowers would like to have an overpayment applied

Apply partial payments in a way to minimize late fees or negative impact on a borrower's credit history

When transferring a loan to another servicer, ensure a borrower still receives any benefits granted, and transfer all information to the new servicer within certain time periods

Prior to placing a borrower in default, must evaluate a borrower for eligibility for an income-driven repayment program

What type of practices do student loan servicers have to follow?



DON'T

No attempts to mislead a borrower

No unfair, deceptive, or misrepresented information related to the loan servicing

No false statements or omission of material fact for applications, information or reports

No misapplication of payments either knowingly or negligently

No inaccurate information provided to a consumer reporting agency either knowingly or negligently, and not fail to report both favorable and unfavorable payment history in annual reports

No refusal to communicate with authorized representatives of a borrower

No misrepresentation of availability of student loan forgiveness programs the servicer has reason to know the borrower is eligible for

**What is
required from
student loan
servicers and
what can
Commerce do?**

▶ Loan servicers must get a license from the Department of Commerce (subject to exemptions)

▶ To ensure loan servicers are operating in a safe and sound manner, Commerce will conduct periodic examinations of each loan servicer

▶ Commerce will review consumer complaints about student loan servicers and conduct investigations into loan servicer practices that may violate various requirements of the law

**Where can
I get more
information or
how do I file a
complaint?**

▶ Please to go to mn.gov/commerce/consumers/your-money/student-loans/ for information on the law and how to look up licensees

▶ Please go to mn.gov/commerce/consumers/file-a-complaint/ to file a complaint against a student loan servicer