



New Student Loan Borrower Bill of Rights

Date: 07/22/2021

To: Student Loan Servicers

From: Minnesota Department of Commerce – Financial Institutions Division

RE: Student Loan Servicer Licensing Requirement Effective 8/1/2021

On June 26, 2021, Governor Walz signed into law a Student Loan Borrower Bill of Rights that includes a new licensing requirement for certain entities that service student loans. The law can be found by clicking on this [link](#) and will be codified as Minnesota Statutes Chapter 58B. The effective date of the new law is **August 1 2021**.

Please read [Minnesota Statutes Chapter 58B](#), which you can access before applying for a license. The law contains exemptions from licensing for various persons. There is a limited application process for servicers who have contracts with the U.S. Department of Education. We are sending this letter out as a courtesy to all companies that currently hold similar licenses in other states on the Nationwide Multistate Licensing System (NMLS). You are encouraged to review the law to determine if you will need to apply for a license.

License applications will be processed through the NMLS. The application checklists will be available on the NMLS for new applicants to review next week, and applicants can submit new applications starting on August 1st. For initial applications, there is an initial application fee of \$1,000. The license is renewable on an annual basis at the end of each calendar year. The renewal fee is \$500.

The Student Loan Borrower Bill of Rights also prescribes duties of student loan servicers, which apply to student loan contracts executed on or after **August 1 2021**. The law also prohibits certain conduct by student loan servicers. The law also authorizes examinations of licensees. The Financial Institutions Division is in the process of implementing an examination program which we expect to start later in 2021.

If you have any questions you can send an email to NonDepositoryInstitutions.Commerce@state.mn.us or call 651-539-1570 and ask for our licensing staff.