

ASSEMBLY THIRD READING
AB 2921 (Mark Stone)
As Amended March 12, 2020
Majority vote

SUMMARY:

Provides a clarifying and technical amendment related to the Student Loan Servicing Act.

Major Provisions

- 1) Defines "student loan account" as a student loan or loans grouped together for billing purposes by a student loan servicer.
- 2) Replaces instances of "account" with "student loan account" in specified sections of the Student Loan Servicing Act.

COMMENTS:

AB 2251 (Stone), Chapter 824, Statutes of 2016 enacted the Student Loan Servicing Act (SLSA), making California the second state to establish a licensure and regulatory framework for student loan servicers. Pursuant to SLSA, student loan servicers are required to take specified actions that are intended to benefit student loan borrowers. In two sections of SLSA, the statute uses the term "account" without specifying whether the term refers to a student loan account, an external bank account, or some other type of account. This bill would clarify the intention of the term "account" by creating a new definition of "student loan account" and replacing the existing instances of "account" with "student loan account" in those two code sections.

According to the Author:

AB 2921 is a simple bill that will remove potential confusion under the existing student loan servicing act. By specifically defining student loan account and including specific references to the type of account, there will be no misunderstandings when complying with the law.

Arguments in Support:

The California Federation of Teachers (CFT) supports Assembly Bill 2921, which would define the term student loan account for purposes of the act as a student loan or loans grouped together for billing purposes by a student loan servicer. The bill makes conforming changes to reference borrower's student loan accounts instead of borrower's accounts.

Arguments in Opposition:

None received.

FISCAL COMMENTS:

Unknown. This bill is keyed non-fiscal by the Legislative Counsel.

VOTES:

ASM BANKING AND FINANCE: 11-0-1

YES: Limón, Chen, Bauer-Kahan, Cervantes, Choi, Fong, Gabriel, Grayson, Mark Stone, Weber, Wicks

ABS, ABST OR NV: Burke

UPDATED:

VERSION: March 12, 2020

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