

**PHIL WEISER**  
Attorney General  
**NATALIE HANLON LEH**  
Chief Deputy Attorney General  
**ERIC MEYER**  
Chief Operating Officer  
**ERIC R. OLSON**  
Solicitor General



**STATE OF COLORADO**  
**DEPARTMENT OF LAW**

**RALPH L. CARR**  
**COLORADO JUDICIAL CENTER**  
1300 Broadway, 6th Floor  
Denver, Colorado 80203  
Phone (720) 508-6020  
**Consumer Protection Section**  
**Consumer Credit Unit**

January 1, 2020

The Honorable Tracy Kraft-Tharp (via email)  
Chair, House Business Affairs and Labor Committee  
Colorado General Assembly  
200 E. Colfax Ave.  
Denver, CO 80203

The Honorable Barbara McLachlan (via email)  
Chair, House Education Committee  
Colorado General Assembly  
200 E. Colfax Ave.  
Denver, CO 80203

The Honorable Susan Lontine (via email)  
Chair, House Health and Insurance Committee  
Colorado General Assembly  
200 E. Colfax Ave.  
Denver, CO 80203

The Honorable Angela Williams (via email)  
Chair, Senate Business, Labor, and Technology Committee  
Colorado General Assembly  
200 E. Colfax Ave.  
Denver, CO 80203

The Honorable Nancy Todd (via email)  
Chair, Senate Education Committee  
Colorado General Assembly  
200 E. Colfax Ave.  
Denver, CO 80203

**RE: Annual Report on the Colorado Student Loan Servicers Act**

In accordance with § 5-20-104(2) of the Colorado Student Loan Servicers Act (“CSLSA”), I am pleased to submit the Administrator’s annual report.<sup>1</sup> Implementation of the CSLSA is underway, including, as discussed below, completing a rulemaking, creating and making available license forms, receiving and reviewing complaints, and beginning outreach and education efforts.

For the most part, this annual report covers the period of August 2, 2019 (the effective date of the CSLSA) through December 31, 2019. This report will follow the order set out in § 5-20-104(2)(a), C.R.S.

## **Implementation**

### **1. Complaints**

Since August 2, 2019, the Consumer Credit Unit has received 20 student loan servicer complaints. As of December 31, 2019, 17 have been closed.

### **2. Rulemaking**

On October 25, 2019, the Administrator published 3 final rules in the *Colorado Register*. The first rule sets the initial licensure and renewal fees at \$12,500. The second rule sets the investigation fees at \$500 for servicers who do not have a federal contract with the U.S. Secretary of Education under 20 U.S.C. § 1087f and so are seeking a license pursuant to § 5-20-106(2), C.R.S. The third rule implemented the automatic licensure for servicers with a federal contract under 20 U.S.C. § 1087f by requiring either the signed signature page to a currently operative contract or its functional equivalent. The final rules were the result of extensive outreach. On July 9, 2019 CCU staff convened a stakeholder meeting to gather information about the fees and the automatic licensure. On August 25, 2019, the Administrator published a notice of proposed rulemaking in the *Colorado Register*. The Administrator held a rulemaking hearing on September 23, 2019. She received 6 comments to the proposed rule.

### **3. Licensure**

On November 29, 2019, the Administrator posted the licensure form for servicers with federal contracts under 20 U.S.C. § 1087f and the licensure application for other servicers. The Administrator and her staff are responding to inquiries and processing applications in advance of the CSLSA’s January 31, 2020 licensure deadline.

---

<sup>1</sup> Pursuant to § 24-1-136(9), C.R.S., this report shall be electronically filed with the Joint Legislative Library, for delivery and distribution to applicable legislators and legislative committees, and shall be made accessible to the public via the Department of Law website.

#### 4. Outreach

The Administrator's office has begun outreach to other state agencies to collaborate on outreach to student loan borrowers. The office has also begun outreach to Colorado higher education institutions. The Administrator's office assisted in drafting materials on Public Service Loan Forgiveness that were set to a listserv of over 15,000 active peace officers. The Department of Law staff gave two presentations on student loans at the Mexican Consulate as part of Colorado Consumer Protection Month. The Administrator's office has created and circulated printed materials with information about the CSLSA and the availability of the office to assist student loan borrowers. The Administrator has established a website for student loan borrowers with information on how to file a complaint.

#### **Effectiveness**

Section 5-20-104(2)(a)(II), C.R.S. requires the Administrator to provide an assessment of the overall effectiveness of the Student Loan Ombudsperson. With the very recent implementation of the Act, the Department is in the process of hiring program staff, as funded by the General Assembly. Given the very brief timeframe since the Act's effective date, a full evaluation of the effectiveness of the program is not feasible at present time given the lack of existing data and brief program existence. Once one full year of implementation of the Act has occurred, the Department will be able to provide a thorough evaluation of the effectiveness of the ombudsperson role and looks forward to doing so in next required report.

#### **Additional Steps**

Section 5-20-104(2)(a)(II), C.R.S. requires recommendations regarding additional step for the Administrator to gain regulatory control over licensing and enforcement with respect to student loan servicers. The CSLSA's deadline for licensure is January 31, 2020, and, as discussed above, the Administrator and her staff are currently responding to inquiries and processing applications in advance of the deadline. Once student loan servicers are licensed, the Administrator will be conducting examinations for compliance with the CSLSA.

Please feel free to contact me if you would like further information.

Respectfully submitted,

MARTHA FULFORD  
Administrator, CSLSA  
Martha.Fulford@coag.gov

Cc: House Business Affairs and Labor Committee members (via email)  
House Education Committee members (via email)  
House Health and Insurance Committee members (via email)  
Senate Business, Labor, and Technology Committee members (via email)  
Senate Education Committee members (via email)  
Joint Legislative Library (via email)  
Kurt Morrison, Colorado Department of Law, Deputy Attorney General for  
Intergovernmental Affairs (via email)