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Consumer Protection Section  
Consumer Credit Unit

September 16, 2021

**TO:** Interested Parties; Licensees

**FROM:** Neal Monaghan, Chief Examiner, and Kelsey Lesco, Student Loan Ombudsperson

**RE:** Stakeholder Meeting on October 7, 2021 for Rulemaking under the Colorado Uniform Consumer Credit Code and Student Loan Equity Act

To Whom it may concern:

The Administrator of the Colorado Uniform Consumer Credit Code (“UCCC”) is authorized to “adopt, amend, and repeal substantive rules and regulations to carry out the specific provisions of this code... and adopt, amend, and repeal procedural rules to carry out the provisions of this code” with approval of the council of advisors on consumer credit subcommittee. § 5-6-104(1)(e), C.R.S. The Administrator is also empowered to “adopt rules not inconsistent with the federal “Truth in Lending Act” and federal “Consumer Leasing Act” to assure a meaningful disclosure of credit terms so that a prospective consumer will be able to compare more readily the various credit terms available to him or her and to avoid the uninformed use of credit.” § 5-6-104(2), C.R.S. The Colorado Student Loan Equity Act (“SLEA”) authorizes the Administrator to license and regulate student loan servicers. Section 110 provides that the Administrator shall adopt rules as necessary to implement the SLEA. § 5-20-110(5), C.R.S.

Questions have arisen concerning the regulatory treatment of the relatively new financial product called an Income Share Agreement (“ISA”).

The Administrator is interested in issuing rules regarding the application of the UCCC and SLEA to ISAs, creditors making ISAs, and ISA servicers. The Administrator would like any written feedback on the following topics as they relate to rulemaking regarding ISAs:

- definition of consumer credit transaction, *see* § 5-1-301(12), C.R.S.;
- applicability of and required information for disclosure and compliance with the Truth in Lending Act, *see* § 5-3-101 and 5-6-104(2), C.R.S.;
- methods for complying with Regulation Z;
- maximum finance charges, *see* § 5-2-201, C.R.S.;
- right to prepay and rebates, *see* § 5-2-210, C.R.S.;
- licensure and registration requirements, *see* § 5-2-301, 5-20-203, and § 5-20-106(2), C.R.S.;
- prohibitions against false, misleading, or deceptive statement or representation, *see* § 5-3-11, C.R.S.;
- the treatment of ISAs by taxation authorities;
- prohibition against assignment of earnings, *see* § 5-3-206, C.R.S.;
- definition of private education loan, *see* § 5-20-202(7), C.R.S. and student loan servicer, 5-20-103(8), C.R.S.;
- necessary protections for consumers entering into ISAs; and
- areas that need clarification to aid creditors or servicers in their efforts to comply with Colorado law.

The Administrator would like any written feedback on these topics or any additional ISA-related topics relevant to this topic by close of business on October 8. Submission of sample ISA loan agreements is specifically requested. Written feedback may be submitted by email at [cslsa@coag.gov](mailto:cslsa@coag.gov).

In addition, the Administrator's staff will hold a stakeholder meeting on October 7th at 1pm on Zoom (link below).

Please keep in mind that the Administrator intends to hold a rulemaking hearing following consideration of information provided by stakeholders and publication of a proposed rule. A final draft of any proposed rules will be published with the Colorado Secretary of State at least 20 days before the rulemaking hearing.

Zoom meeting link:

<https://us02web.zoom.us/j/86917235923?pwd=RExOVGFvVFUzQUtieExkSUpZaTJHdz09>

Meeting ID: 869 1723 5923

Passcode: 121015

Dial by your location

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