

New law strengthens Student Borrower's Bill of Rights

By: **Jeff Elkins**//The Journal Record//May 3, 2023

OKLAHOMA CITY – A bill amending the Oklahoma Student Borrower's Bill of Rights Act has been signed into law, providing further clarity on repayment conditions.

Senate Bill 261, authored by state Sen. John Montgomery, R-Lawton, and state Rep. Melissa Provenzano, D-Tulsa, in 2021, directed the attorney general to prepare a written statement including an "Oklahoma Student Borrower's Bill of Rights," which contains language prohibiting student loan servicers from engaging in acts that mislead or deceive borrowers.

According to the language, servicers are prohibited from misrepresenting or omitting any material information in connection with the servicing of a student education loan, including misrepresenting the amount, nature or terms of any fee.

The new law, based on this year's House Bill 1443, amends the borrower's rights to prohibit servicers from failing to inform student loan borrowers if their type of loan does not qualify for loan forgiveness programs.

Provenzano, principal author of HB 1443, said the bill was created after lawmakers heard about an Oklahoma librarian who was enrolled in a 10-year student loan forgiveness plan. After deferring on her loan, the servicer failed to inform her that the plan was void due to a disruption in the payment structure.

"In the meantime, she got cancer, and so she was like, 'I can pay my student loans or my medical bills,'" Provenzano said.

She chose to pay the medical bills.

Provenzano said the librarian and Action Tulsa asked her to see that rights for students require servicers to disclose the consequences of payment plan changes.

“She just didn’t want this to happen to anybody else,” Provenzano said.

A study conducted by the nonprofit Student Debt Crisis found that more than one-third of student loan borrowers had difficulty assessing information about their loans and repayment status. The study also found nearly 60% of borrowers received unclear guidance regarding their repayment plan.

HB 1443 sponsor Rep. Jared Deck, D-Norman, emphasized the importance of transparency following the bill’s passage.

“Our students deserve to know the facts and have protection from predatory practices,” Deck said.