



## Government of the District of Columbia Department of Insurance, Securities and Banking

Stephen C. Taylor  
Commissioner

### District of Columbia Student Loan Borrower's Bill of Rights

*Pursuant to the Student Loan Ombudsman Establishment and Servicing Regulation Act of 2016 (D.C. Code § 31-106.01(c)(10)), the District of Columbia Department of Insurance, Securities and Banking (Department) began licensing and regulating student loan servicers operating in the District of Columbia.*

*As part of its responsibilities, the Department has developed this Student Loan Borrower's Bill of Rights to ensure that the loan repayment process for each Student Loan Borrower in the District of Columbia is built on legal, fair, professional, and transparent standards.*

*This Bill of Rights sets out the following rights of each Student Loan Borrower (Borrower) and the responsibilities of every Student Loan Servicer (Servicer) to ensure that each of its Borrowers' rights are upheld and respected.*

**Article I** A Borrower has the right to have its Servicer service the Borrower's loan in compliance with all applicable District and federal laws and regulations, including, but not limited to, the Truth in Lending Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, Electronic Fund Transfer Act, and Servicemembers Civil Relief Act. A Servicer shall develop and implement policies and procedures to ensure that it complies with all applicable District and federal laws and regulations in the servicing of its student loans in the District.

**Article II** A Borrower has the right to be free from any discrimination based on race, color, religion, national origin, sex, marital status, age, sexual orientation or identity, or any other protected classification in the District of Columbia.

**Article III** A Borrower has the right to have an inquiry or complaint to a Servicer regarding the Borrower's loan addressed and resolved. A Servicer shall develop and implement policies and procedures to ensure that a Borrower inquiry or complaint is researched and resolved in a timely manner with prompt notification of resolution to the Borrower.

- Article IV** A Borrower has the right to have his or her payments applied to outstanding loan balance(s) timely, appropriately, and fairly. A Servicer shall maintain accurate payment records, and ensure that a Borrower's payment history and loan balance information is readily available to the Borrower. If servicing more than one loan for a Borrower, the Servicer shall notify the Borrower, at least annually, of the method in which partial payments are allocated across multiple loans. The Servicer's allocation process shall result in partial payments being applied in the best interest of the Borrower, such as to reduce the amount of indebtedness, fees, or interest, and mitigate the risk of default of one or more of the Borrower's loans.
- Article V** A Borrower has the right to receive a monthly billing statement, which indicates the outstanding balance of the loan(s) and the current amount of the payment due for the loan(s).
- Article VI** A Borrower has the right to receive, no less than quarterly, a periodic statement that identifies: the Servicer and current loan holder; for each loan, the outstanding balance, monthly payment, current term and interest rate, date of origination, and any interest and fees charged; and payments received since the last statement.
- Article VII** A Borrower has the right to receive timely and accurate annual statements concerning student loan interest paid for tax reporting purposes.
- Article VIII** A Borrower has the right to receive payoff information upon request. A Servicer shall develop and implement policies and procedures to provide payoff information to a Borrower on a timely basis.
- Article IX** A Borrower has the right to have the Servicer's current schedule of fees that could be charged to the Borrower, and the schedule shall disclose each event that would trigger a fee to the borrower, and disclose the applicable fee to be charged. A Servicer shall maintain a current schedule of fees and the triggering event for each fee and indicate how a Borrower can avoid each fee.
- Article X** A Borrower has the right to receive timely information of organizational changes that could affect loan repayment or Borrower interactions with the Servicer, including changes to the Servicer's physical address or contact information, or the transfer of the Borrower's account to another Servicer. A Servicer shall develop and implement policies and procedures to timely inform a Borrower of such changes.
- Article XI** A Borrower has the right to timely and accurate reporting to credit bureaus of the Borrower's loan payment information. A Servicer shall develop policies and procedures to ensure timely reporting of a Borrower's credit information to credit reporting organizations, timely investigate a complaint of inaccurately reported information, and timely correct any inaccurate information previously reported.

- Article XII** A Borrower has the right to have access to default diversion services from the Servicer that notifies the Borrower when they are at risk of default, and the Servicer shall assist the Borrower with avoiding a default. A Servicer shall develop and implement policies and procedures that identify and notify Borrowers at risk of default, and work with those borrowers to avoid default, including providing options to a Borrower for loan deferment, forbearance, alternative repayment plan and loan modification.
- Article XIII** To the extent the Servicer or an agent of a Servicer provides any financing, including a loan modification or refinancing, to a Borrower, the Borrower has the right to receive financing that complies with the following principles:
- a. The financing is in the best interest of the Borrower;
  - b. All loan terms, including closing fees, are disclosed in writing at least five (5) business days prior to execution of the financing; and
  - c. The Borrower is capable of repayment without modification.
- Article XIV** A Borrower has the right to receive evidence that a loan is paid in full within 30 days of the Borrower paying off a student loan.
- Article XV** A Borrower has the right to file a complaint with the Department of Insurance, Securities and Banking’s Student Loan Ombudsman, and have the Ombudsman assist in resolving the complaint with the Borrower’s Servicer.
- Article XVI** A Borrower has the right to request that the Department of Insurance, Securities and Banking’s Student Loan Ombudsman review the Borrower’s loan history for the purposes of understanding the Borrower’s rights and responsibilities under the terms of the Borrower’s loan.
- Article XVII** A Borrower has the right to receive information from, and attend educational presentations produced by the Department of Insurance, Securities and Banking’s Student Loan Ombudsman to provide the Borrower with general information on the student loan landscape, including an explanation of loan terms, documentation requirements, and payment options and accommodations, such as income-based repayment and loan forgiveness.

*Student Loan Borrowers or other District residents can contact the Student Loan Ombudsman for information regarding student loans and the servicing of student loans as follows:*

**Charles Burt**  
**Student Loan Ombudsman**  
Department of Insurance, Securities and Banking  
1050 First Street, NE, Suite 801  
Washington, DC 20002  
(202) 442-7848  
disb.dc.gov