

AB 376	Mark Stone (D – Scotts Valley)		
Subject: Student loan servicing			
Status: Governor’s Desk (two-year bill)		Program Affected: None	
Commission Position: <b>SUPPORT</b>			

**SUMMARY**

[AB 376](#) establishes the ***Student Borrower Bill of Rights*** and imposes new requirements on student loan servicers. Specifically, this bill:

- Prohibits student loan servicers from engaging in abusive practices (i.e. misapplying borrower payments, misrepresenting or omitting information, etc.).
- Requires student loan servicers to give borrowers timely and accurate information and guarantee other protections to borrowers.
- Establishes the position of the Student Borrower Ombudsman, under the Department of Business Oversight (DBO), to review complaints from borrowers.
- Authorizes the Department of Justice (DOJ) to investigate complaints referred by the Student Borrower Ombudsman.
- Tasks the DBO with new monitoring requirements, including compiling and analyzing data, assisting student loan borrowers, monitoring for risks to consumers, monitoring federal, state, and local laws, rules, regulations, and policies, and producing an annual report.
- Authorizes victims of industry abuse to bring a private right of action against servicers that violate these provisions.

**BACKGROUND**

The Student Loan Servicing Act (SLSA), originally established in 2018 by AB 2251 (Stone, Chapter 824, Statutes of 2016) requires student loan servicers to obtain a license from the DBO to operate in California. The SLSA also imposes requirements on student loan servicers, prohibits certain practices, and places oversight of student loan servicers with the Commissioner of DBO.

**FISCAL IMPACT**

Significant ongoing costs for the DBO and DOJ. No cost to the Commission.

**STATUS UPDATE**

August 28<sup>th</sup> – Passed the Senate

August 30<sup>th</sup> – Senate amendments concurred in; to the Governor's Desk

<b>SB 860</b>	<b>Jim Beall (D – San Jose)</b>
<i>Subject:</i> Foster Youth Services Coordinating Program: postsecondary education financial aid applications	
<i>Status:</i> Governor's Desk	<i>Program Affected:</i> Cal Grant/Outreach
<i>Commission Position:</i> <b>SUPPORT</b>	

**SUMMARY**

[SB 860](#) would require local educational agencies, to the extent possible, to include in their **Foster Youth Service Plans** a description of how they will coordinate efforts to ensure **completion of financial aid applications for foster youth students** in 12<sup>th</sup> grade as a condition of receiving funds from the Foster Youth Services Coordinating Program.

**BACKGROUND**

Existing law establishes the Foster Youth Services Coordinating Program, under the administration of the Superintendent of Public Instruction, to provide supplemental funding to county offices of education for the purpose of coordinating services and ensuring positive educational outcomes for foster youth students.

**FISCAL IMPACT**

May result in increased General Fund costs associated with increased FAFSA/CADAA completion among foster youth students. However, this bill is narrowly targeted and permissive for school districts; thus, the associated program cost increase may fall within the margin of error of existing Cal Grant estimates.

Minor and absorbable costs to the Commission's Program Administration and Services Division (PASD) due to increased demand for outreach and/or Cash4College Trainings.

**STATUS UPDATE**

August 30<sup>th</sup> – Passed the Assembly; to the Governor's Desk