

**Colorado Department of Law
Consumer Credit Unit
Adoption of Rule on an Emergency Basis
Colorado Student Loan Equity Act Rules, 4 C.C.R.
902-3**

Emergency Rules

Rule 4— Nonrefundable Registration Fees for Private Education Lenders

Rule 5— Registration Documents and Information Due Date

Rule 6— Alternative Registration Process and Fee Structure for Public and Private Nonprofit Postsecondary Educational Institutions

Statement of Emergency Justification and Adoption

Pursuant to sections 24-4-103, 5-20-20, C.R.S., I, Martha Fulford, First Assistant Attorney General and UCCC Administrator, adopt the rules attached.

Section 24-4-103(6), C.R.S., authorizes the Administrator to issue emergency rules if the Administrator finds that the immediate adoption of the rule is imperatively necessary to comply with a state or federal law or federal regulation or for the preservation of public health, safety, or welfare and compliance with the requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

I find: (1) the adoption of this rule effective July 30, 2021 is necessary to comply with the statutory mandates of the Colorado Student Loan Equity Act, section 5-20-203, C.R.S.; (2) the adoption of this rule is necessary to preserve the public health, safety, and welfare; and (3) compliance with the notice and public hearing requirements of section 24-4-103, C.R.S., would be contrary to the public interest.

Statutory Authority

The statutory authority for this rule includes but is not limited to section 5-20-203, C.R.S.

Purpose

The purpose of the promulgation of this rule on an emergency basis is to establish registration fees pursuant to section 5-20-203, C.R.S. It is imperatively necessary to set fees prior to the statutory registration date, September 1, 2021 and to meet these legislative charges and responsibilities in order to preserve the public health, safety, and welfare of the State of Colorado.

The registration fee reflects the direct and indirect costs administering Part 2 of the Colorado Student Loan Equity Act. That cost is estimated to be approximately \$93,000 in FY2021-2022 and \$110,000 in FY2022-2023 based on the addition of one full time employee to assist the Administrator in implementing Part 2 of the Colorado Student Loan Equity Act. The Administrator held a stakeholder meeting on July 14, 2021 and specifically sought feedback the number of entities expected to register. Based on currently available estimates, the Administrator estimates that there will be approximately 50-70 registrants. Based on these figures, the registration fee will be \$1500 per registrant, which is an amount estimated to cover the costs of implementing Part 2 the Colorado Student Loan Equity Act. The amount of the initial license fee and annual renewal fee may be reduced or increased periodically based upon the Administrator's determination of anticipated changes to the cost of administering the Student Loan Equity Act.

It is also imperatively necessary that the Administrator implements the registration requirement in section 5-20-203(2)(b), C.R.S., to provide the annual due date for documents and information required for registration, on or before September 1 each year.

It is also imperatively necessary that the Administrator prescribes the alternative registration process and fee structure for public and private nonprofit postsecondary educational institutions, so that these institutions may comply with this alternative requirement prior to or on September 1, 2021. A public or private nonprofit postsecondary education institution may alternatively register with the Administrator by submitting a registration fee of \$300. A public or private nonprofit postsecondary education institution by September 1 each year must also provide: the volume of private education loans made annually to private education loan borrowers in Colorado; the default rate for private education loan borrowers in Colorado obtaining private education loans from the public or private nonprofit postsecondary education institution; a copy of each model promissory note, agreement, contract, or other instrument used by the public or private nonprofit postsecondary education institution during the previous year to substantiate that a private education loan has been extended to a private education loan borrower or that a private education loan borrower owes a debt to the public or private nonprofit postsecondary education institution; and for a private nonprofit postsecondary educational institution, documentation that establishes that it is a private nonprofit postsecondary educational institution, to be evaluated in the Administrator's discretion. The Administrator believes that this alternative path balances the statutory intent in the registration requirement to collect and make public information about private education lenders in the state, while also recognizing the statutory provision for an alternative process and fee structure for public or private nonprofit postsecondary education institutions.

The Administrator conducted a stakeholder meeting on July 14, 2021 to gather information to inform this emergency rulemaking. She will file a permanent rulemaking notice regarding this emergency rule after the emergency rulemaking process. The permanent rulemaking process will include the opportunity for substantial stakeholder and public participation, which will be duly considered.

Adoption

The Administrator is adopting these rules on an emergency basis to comply with section 5-20-203, C.R.S. requiring the promulgation of rules to set fees to reflect the direct and indirect costs of the enforcement and administration of Part 2 of the Colorado Student Loan Equity Act, and to assure the public is provided with notice of the fees that the Administrator anticipates collecting. Adoption of this emergency rule will clarify the fees registrants will pay, documents they must submit and the alternative registration process.

This emergency rule is effective July 30, 2021. The attached emergency rule will remain in effect until its expiration upon 120 days from the adoption date unless sooner terminated or replaced by a permanent rule.



Martha Fulford
Administrator/First Assistant
Consumer Credit Unit
Colorado Department of Law

July 30, 2021

Date