



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code: Section:

[Up^](#) [Add To My Favorites](#)

CIVIL CODE - CIV

DIVISION 3. OBLIGATIONS [1427 - 3273.69] (*Heading of Division 3 amended by Stats. 1988, Ch. 160, Sec. 14.*)

PART 4. OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273.69] (*Part 4 enacted 1872.*)

TITLE 1.6C.10. Student Loans: Borrower Rights [1788.100 - 1788.106] (*Title 1.6C.10 added by Stats. 2020, Ch. 154, Sec. 2.*)

CHAPTER 4. Establishment of The California Student Loan Ombudsman [1788.104- 1788.104.] (*Chapter 4 added by Stats. 2020, Ch. 154, Sec. 2.*)

1788.104. (a) Not later than 180 days following the operative date of this chapter, the commissioner shall designate a Student Loan Ombudsman to work within the department. The Student Loan Ombudsman shall hire additional staff as necessary to implement this section.

(b) The Student Loan Ombudsman shall receive and review complaints from student loan borrowers.

(c) Any complaint regarding a student loan servicer licensed or subject to licensing under the Student Loan Servicing Act (Division 12.5 (commencing with Section 28100) of the Financial Code) shall be referred to the appropriate unit within the department. This unit may investigate complaints referred by the Student Loan Ombudsman, and from the public, who may also submit complaints directly to the department.

(d) Complaints regarding student loans not subject to the Student Loan Servicing Act (Division 12.5 (commencing with Section 28100) of the Financial Code) shall be referred to the Department of Justice. The Department of Justice may investigate complaints regarding student loans referred by the Student Loan Ombudsman, and from the public, who may also submit complaints directly to the Department of Justice.

(e) Complaints regarding any private postsecondary educational institution licensed by the Bureau for Private Postsecondary Education shall be referred to the Bureau for Private Postsecondary Education's Office of Student Assistance and Relief.

(f) The Student Loan Ombudsman shall confer with the Department of Justice and the Office of Student Assistance and Relief regarding the student loan complaints, the proper referral processes for those complaints, and the reporting requirements of the Student Loan Ombudsman under this title.

(g) The Student Loan Ombudsman has all of the following duties:

(1) Compiling and analyzing data on the number of student loan borrower complaints received by the Department of Financial Protection and Innovation and referred to the Department of Justice.

(2) Providing information to the public, agencies, legislators, and others regarding the problems and concerns of student loan borrowers and making recommendations for resolving those problems and concerns.

(3) Analyzing and monitoring the development and implementation of federal and state laws, rules, regulations, and policies relating to student loan borrowers.

(4) Disseminating information concerning the availability of the Department of Financial Protection and Innovation, the Department of Justice, and the Bureau of Private Postsecondary Education to accept complaints from individual student loan borrowers and potential student loan borrowers.

(5) Requesting and compiling information provided by any student loan servicer if reasonably determined by the Student Loan Ombudsman to be necessary to effectuate the duties described in this subdivision, except if that student loan servicer is a national bank, as defined in Section 25b of Title 12 of the United States Code, and only to the extent that the requirements of this paragraph are preempted with respect to national banks pursuant to Section 25b and following of Title 12 of the United States Code.

(6) Not later than 18 months after the operative date of this chapter, and not less frequently than once per year thereafter, the Student Loan Ombudsman shall submit a report to the appropriate committees of the Legislature having jurisdiction over higher education and financial institutions. The Student Loan Ombudsman shall report on all of the following:

(A) The implementation of this section.

(B) The types of complaints received regarding student loan borrowing, student loan repayment and servicing, and how these complaints are resolved.

(C) Other data and analysis on outstanding student loan issues faced by borrowers.

(h) Notwithstanding subdivision (l) of Section 1788.100, for purposes of this chapter, "student loan servicer" includes a state or nonprofit private institution or organization having an agreement with the United States Secretary of Education under the Higher Education Act of 1965 (20 U.S.C. Sec. 1078(b)) in connection with its responsibilities as a guaranty agency engaged in default aversion.

(i) The operation of this chapter is contingent upon the enactment of an appropriation in the annual Budget Act for its purposes.

(j) This chapter shall become operative on July 1, 2021.

(Amended by Stats. 2022, Ch. 452, Sec. 22. (SB 1498) Effective January 1, 2023.)