

58B.07 PROHIBITED CONDUCT.

Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or indirectly attempt to mislead a borrower.

Subd. 2. **Misrepresentation.** A student loan servicer must not engage in any unfair or deceptive practice or misrepresent or omit any material information in connection with the servicing of a student loan, including but not limited to misrepresenting the amount, nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms and conditions of the loan agreement, or the borrower's obligations under the loan.

Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or negligently misapply student loan payments.

Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or negligently provide inaccurate information to any consumer reporting agency.

Subd. 5. **Reporting of payment history.** A student loan servicer must not fail to report both the favorable and unfavorable payment history of the borrower to a consumer reporting agency at least annually, if the student loan servicer regularly reports payment history information.

Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan servicer must not refuse to communicate with a representative of the borrower who provides a written authorization signed by the borrower. The student loan servicer may adopt procedures reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.

Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly or negligently make any false statement or omission of material fact in connection with any application, information, or reports filed with the commissioner or any other federal, state, or local government agency.

Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate any other federal, state, or local laws, including those related to fraudulent, coercive, or dishonest practices.

Subd. 9. **Incorrect information regarding student loan forgiveness.** A student loan servicer must not misrepresent the availability of student loan forgiveness for which the servicer has reason to know the borrower is eligible. This includes but is not limited to student loan forgiveness programs specific to military borrowers, borrowers working in public service, or borrowers with disabilities.

Subd. 10. **Compliance with servicer duties.** A student loan servicer must comply with the duties and obligations under section 58B.06.

History: *1Sp2021 c 4 art 6 s 8*