ARTICLE 9

COMMERCE POLICY

Section 1. [16C.57] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO NET NEUTRALITY.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given in this subdivision:

(b) "Broadband Internet access service" means:

(1) a mass-market retail service by wire or radio that provides the capability, including any capability that is incidental to and enables the operation of the communications service, to transmit data to and receive data from all or substantially all Internet endpoints;

(2) any service that provides a functional equivalent of the service described in clause (1); or

(3) any service that is used to evade the protections set forth in this section.

(c) "Edge provider" means any person or entity that provides (1) any content, application, or service over the Internet, or (2) a device used to access any content, application, or service over the Internet. Edge provider does not include a person or entity providing obscene material, as defined by section 617.241.

(d) "Internet service provider" means a business that provides broadband Internet access service to a customer in Minnesota.

(e) "Paid prioritization" means the management of an Internet service provider's network to directly or indirectly favor some traffic over other traffic (1) in exchange for monetary or other consideration from a third party, or (2) to benefit an affiliated entity.

Subd. 2. Purchasing or funding broadband Internet access services; prohibitions. A state agency or political subdivision is prohibited from entering into a contract or providing funding to purchase broadband Internet access service after August 1, 2019, that does not contain:

(1) a binding agreement in which the Internet service provider certifies to the commissioner of commerce that the Internet service provider does not engage in any of the following activities with respect to any of its Minnesota customers:

(i) block lawful content, applications, services, or nonharmful devices, subject to reasonable network management:
(ii) impair, impede, or degrade lawful Internet traffic on the basis of Internet content, application, or service, or use of a nonharmful device, subject to reasonable network management;

(iii) engage in paid prioritization;

(iv) unreasonably interfere with or unreasonably disadvantage:

(A) a customer's ability to select, access, and use broadband Internet service or lawful Internet content, applications, services, or devices of the customer's choice; or

(B) an edge provider's ability to provide lawful Internet content, applications, services, or devices to a customer, except that an Internet service provider may block content if the edge provider charges or intends to charge a fee to the Internet service provider for the content; or

(v) engage in deceptive or misleading marketing practices that misrepresent the treatment of Internet traffic or content; and

(2) provisions requiring the state agency or political subdivision, upon determining the Internet service provider has violated the binding agreement under clause (1), to unilaterally terminate the contract for broadband Internet access service and require the Internet service provider to remunerate the state agency or political subdivision for all revenues earned under the contract during the period when the violation occurred.

Subd. 3. Other laws. Nothing in this section (1) supersedes any obligation or authorization an Internet service provider may have consistent with or as permitted by applicable law to address the needs of emergency communications or law enforcement, public safety, or national security authorities, or (2) limits the provider's ability to meet the needs under clause (1).

Subd. 4. Exception. This section does not apply to a state agency or political subdivision that purchases or funds fixed broadband Internet access services in a geographic location where broadband Internet access services are only available from a single Internet service provider or who is a recipient of grant funding under section 116J.395.

Subd. 5. Enforcement. A violation of the certification provided under subdivision 2 must be enforced by the commissioner of commerce. An Internet service provider who materially or repeatedly violates this section is subject to a fine of not more than $1,000 for each violation. A fine authorized by this section may be imposed by the commissioner through a civil action brought by the commissioner under section 45.027, or by the attorney general under section 8.31 on behalf of the state of Minnesota. Fines collected under this subdivision must be deposited into the state treasury.

Section 1. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:
Subd. 11. Financial institutions account; appropriation. (a) The financial institutions account is created as a separate account in the special revenue fund. The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and license and renewal fees under section 216C.437, subdivision 12. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account. (b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 53B.09; 53B.11, subdivision 1; and 58A.045, subdivision 2.

Subd. 12. Funds in the account are annually appropriated to the commissioner of commerce for activities under this section.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 46.131, is amended by adding a subdivision to read:

Subd. 12. Limitations on assessments. The sum of the assessments levied under subdivision 7 for a fiscal period beginning on July 1 and ending June 30 thereafter shall not exceed 100 percent of the sum of the assessments levied for the fiscal period beginning one year prior.

EFFECTIVE DATE. This section is effective the day following final enactment.
listed in this subdivision shall specify in the promissory note, contract, or other loan document
the section under which the extension of credit is made.

Sec. 3. Minnesota Statutes 2018, section 47.50, subdivision 2, is amended to read:

Subd. 2. Authorization, terms, conditions, and prohibitions. (a) In lieu of the interest,
finance charges, or fees in any other law, a consumer small loan lender may charge the
following: interest, finance charges, and fees which, when combined, cannot exceed an
annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36
percent.

(1) on any amount up to and including $50, a charge of $5.50 may be added.

(2) on amounts in excess of $50, but not more than $100, a charge may be added equal
to ten percent of the loan proceeds plus a $5 administrative fee.

(3) on amounts in excess of $100, but not more than $250, a charge may be added equal
to seven percent of the loan proceeds with a minimum of $10 plus a $5 administrative fee.

(4) for amounts in excess of $250 and not greater than the maximum in subdivision 1,
paragraph (a), a charge may be added equal to six percent of the loan proceeds with a
minimum of $17.50 plus a $5 administrative fee.

(b) The term of a loan made under this section shall be for no more than 30 calendar
days.

(c) After maturity, the contract rate must not exceed 2.75 percent per month of the
remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
rate in the contract for each calendar day the balance is outstanding.

(d) No insurance charges or other charges must be permitted to be charged, collected,
or imposed on a consumer small loan except as authorized in this section.

(e) On a loan transaction in which cash is advanced in exchange for a personal check,
a return check charge may be charged as authorized by section 604.113, subdivision 2,
paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
(b), may not be demanded or assessed against the borrower.

(f) A loan made under this section must not be repaid by the proceeds of another loan
made under this section by the same lender or related interest. The proceeds from a loan
made under this section must not be applied to another loan from the same lender or related
interest. No loan to a single borrower made pursuant to this section shall be split or divided
and no single borrower shall have outstanding more than one loan with the result of collecting
a higher charge than permitted by this section or in an aggregate amount of principal exceed
at any one time the maximum of $350.

Sec. 4. Minnesota Statutes 2018, section 47.601, subdivision 2, is amended to read:
Subd. 2. Consumer short-term loan contract. (a) No contract or agreement between a consumer short-term loan lender and a borrower residing in Minnesota may contain the following:

(1) a provision selecting a law other than Minnesota law under which the contract is construed or enforced;

(2) a provision choosing a forum for dispute resolution other than the state of Minnesota; or

(3) a provision limiting class actions against a consumer short-term lender for violations of subdivision 3 or for making consumer short-term loans:

(i) without a required license issued by the commissioner; or

(ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under section 47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if no pattern or practice exists.

(b) Any provision prohibited by paragraph (a) is void and unenforceable.

(c) A consumer short-term loan lender must furnish a copy of the written loan contract to each borrower. The contract and disclosures must be written in the language in which the loan was negotiated with the borrower and must contain:

(1) the name; address, which may not be a post office box; and telephone number of the lender making the consumer short-term loan;

(2) the name and title of the individual employee or representative who signs the contract on behalf of the lender;

(3) an itemization of the fees and interest charges to be paid by the borrower;

(4) in bold, 24-point type, the annual percentage rate as computed under United States Code, chapter 15, section 1606; and

(5) a description of the borrower's payment obligations under the loan.

(d) The holder or assignee of a check or other instrument evidencing an obligation of a borrower in connection with a consumer short-term loan takes the instrument subject to all claims by and defenses of the borrower against the consumer short-term lender.

Sec. 5. Minnesota Statutes 2018, section 47.601, subdivision 6, is amended to read:

Subd. 6. Penalties for violation; private right of action. (a) Except for a "bona fide error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

(1) all money collected or received in connection with the loan; or

(2) actual, incidental, and consequential damages;
(3) statutory damages of up to $1,000 per violation;

(4) costs, disbursements, and reasonable attorney fees; and

(5) injunctive relief.

(b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower is not obligated to pay any amounts owing if the loan is made:

(1) by a consumer short-term lender who has not obtained an applicable license from the commissioner;

(2) in violation of any provision of subdivision 2 or 3; or

(3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges, or loan amounts allowable under sections 47.59, subdivision 6, and section 47.60, subdivision 2.

Sec. 6. Minnesota Statutes 2018, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. Loans.

(a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted under chapters 47 and 334. Loans made under this authority must be in amounts in compliance with section 53.05, clause (7). A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

(b) Loans made under this subdivision may be secured by real or personal property, or both. If the proceeds of a loan secured by a lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

(d) This subdivision does not authorize an industrial loan and thrift company to make loans under an overdraft checking plan.
Sec. 7. Minnesota Statutes 2018, section 56.131, subdivision 1, is amended to read:

Subdivision 1. Interest rates and charges. (a) On any loan in a principal amount not exceeding $100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

(b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

(c) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest of the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

(d) A licensee may contract for and collect a delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

(e) A licensee may grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.

Sec. 8. [58B.01] DEFINITIONS.

Subdivision 1. Scope. For the purposes of this chapter, the following terms have the meanings given them:

Borrower. "Borrower" means a resident of this state who has received or agreed to pay a student loan, or a person who shares responsibility with a resident for repaying a student loan.

Commissioner. "Commissioner" means the commissioner of commerce.

Financial institution. "Financial institution" means any of the following organized under the laws of this state, any other state, or the United States: a bank, bank and trust, trust company with banking powers, savings bank, savings association, or credit union.

Person in control. "Person in control" means any member of senior management, including owners or officers, and other persons who directly or indirectly possess the power to direct or cause the direction of the management policies of an applicant or student loan servicer under this chapter, regardless of whether the person has any ownership interest in the applicant or student loan servicer. Control is presumed to exist if a person directly or indirectly owns, controls, or holds with power to vote ten percent or more of the voting stock of an applicant or student loan servicer or of a person who owns,
controls, or holds with power to vote ten percent or more of the voting stock of an applicant or student loan servicer.

Subd. 6. Servicing. "Servicing" means:

(1) receiving any scheduled periodic payments from a borrower or notification of payments, and applying payments to the borrower’s account pursuant to the terms of the student loan or of the contract governing servicing of a student loan;

(2) during a period when no payment is required on a student loan, maintaining account records for the loan and communicating with the borrower regarding the loan on behalf of the loan’s holder; and

(3) interacting with a borrower, including activities to help prevent default on obligations arising from student loans, to facilitate the requirements in clauses (1) and (2).

Subd. 7. Student loan. "Student loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable education and living expenses.

Subd. 8. Student loan servicer. "Student loan servicer" means any person, wherever located, responsible for servicing any student loan to any borrower. Student loan servicer includes a nonbank covered person, as defined in Code of Federal Regulations, title 12, section 1090.101, who is responsible for servicing any student loan to any borrower.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 9. [58B.02] STUDENT LOAN ADVOCATE.

Subdivision 1. Designation of a student loan advocate. The commissioner must designate a student loan advocate within the Department of Commerce to provide timely assistance to any borrower.

Subd. 2. Duties. The student loan advocate must:

(1) receive, review, and attempt to resolve complaints from borrowers, including but not limited to attempts to resolve such complaints in collaboration with institutions of higher education, student loan servicers, and any other participants in student loan lending;

(2) compile and analyze data on borrower complaints received under clause (1);

(3) help borrowers understand the rights and responsibilities under the terms of student loans;

(4) provide information to the public, state agencies, legislators, and relevant stakeholders regarding the problems and concerns of borrowers;

(5) make recommendations for resolving the problems of borrowers;
(6) analyze and monitor the development and implementation of federal, state, and local
laws, regulations, and policies relating to borrowers and recommend any changes deemed
necessary;
(7) review the complete student loan history for any borrower who has provided written
consent for a review;
(8) increase public awareness that the advocate is available to help resolve the student
loan servicing concerns of potential and actual borrowers, institutions of higher education,
student loan servicers, and any other participant in student lending; and
(9) take other actions, as necessary, to fulfill the duties of the advocate set forth in this
section.

Subd. 3. Student loan education course. The advocate must establish and maintain a
borrower education course. The course must include educational presentations and materials
regarding important topics in student loans, including but not limited to:
(1) the meaning of important terminology used in student lending;
(2) documentation requirements;
(3) monthly payment obligations;
(4) income-based repayment options;
(5) the availability of state and federal loan forgiveness programs; and
(6) disclosure requirements.

Subd. 4. Reporting. By January 15 of each odd-numbered year, the advocate must report
to the legislative committees with jurisdiction over commerce and higher education. The
report must describe the advocate's implementation of this section, the outcomes achieved
by the advocate in the previous two years, and recommendations to improve the regulation
of student loan servicers.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 10. [58B.03] LICENSING OF STUDENT LOAN SERVICERS.

Subdivision 1. License required. A person is prohibited from directly or indirectly
acting as a student loan servicer without first obtaining a license from the commissioner.

Subd. 2. Exempt persons. The following persons are exempt from the requirements of
this chapter:
(1) a financial institution;
(2) a person servicing student loans made with the person's own funds, if no more than
three student loans are made in any 12-month period.
(3) an agency, instrumentality, or political subdivision of this state that makes, services, or guarantees student loans;

(4) a person acting in a fiduciary capacity, including a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or

(5) a person exempted by order of the commissioner.

Subd. 3. Application for licensure. (a) Any person seeking to act as a student loan servicer in Minnesota must apply for a license in a form and manner specified by the commissioner. At a minimum, the application must include:

(1) a financial statement prepared by a certified public accountant or a public accountant;

(2) the history of criminal convictions, excluding traffic violations, for persons in control of the applicant;

(3) any information requested by the commissioner related to the history of criminal convictions disclosed under clause (2);

(4) a nonrefundable license fee established by the commissioner; and

(5) a nonrefundable investigation fee established by the commissioner.

(b) The commissioner may conduct a state and national criminal history records check of the applicant and of each person in control of or employed by the applicant.

Subd. 4. Issuance of a license. Upon receipt of a complete application for an initial license and the payment of fees for a license and investigation, the commissioner must investigate the financial condition and responsibility, character, financial and business experience, and general fitness of the applicant. The commissioner may issue a license if the commissioner finds:

(1) the applicant's financial condition is sound;

(2) the applicant's business is conducted honestly, fairly, equitably, carefully, and efficiently within the purposes and intent of this section;

(3) each person in control of the applicant is in all respects properly qualified and of good character;

(4) no person has, on behalf of the applicant, knowingly made any incorrect statement of a material fact in the application, or in any report or statement made pursuant to this section;

(5) no person has, on behalf of the applicant, knowingly omitted from an application, report, or statement made pursuant to this section any information required by the commissioner.
the applicant has paid the fees required under this section; and
the application has met other similar requirements, as determined by the commissioner.

Subd. 5. Notification of a change in status. An applicant or student loan servicer must notify the commissioner in writing of any change in the information provided in the initial license application or the most recent renewal application for a license. The notification must be received no later than ten business days after the date an event that results in the information becoming inaccurate occurs.

Subd. 6. Term of license. Licenses issued under this chapter expire on December 31 and are renewable on January 1.

Subd. 7. Certificate of exemption. (a) A person is exempt from the application procedures under subdivision 3 if the commissioner determines the person is servicing student loans in Minnesota pursuant to a contract awarded by the United States Secretary of Education under United States Code, title 20, section 1087f. Documentation of eligibility for this exemption must be in a form and manner determined by the commissioner.
(b) Upon payment of the fees under subdivision 3, a person determined eligible for the exemption under paragraph (a) must be issued a certificate of exemption and deemed to meet all the requirements of subdivision 4.

Subd. 8. Notice. (a) A person issued a license under subdivision 7 must provide the commissioner with written notice no less than seven days after the date the person's contract under United States Code, title 20, section 1087f expires, is revoked, or is terminated.
(b) A person issued a license under subdivision 7 has 30 days from the date the notification under paragraph (a) is provided to complete the requirements of subdivision 3. If a person does not meet the requirements of subdivision 3 within this time period, the commissioner must immediately suspend the person's license under this chapter.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 11. [58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.
(a) A person issued a certificate of exemption or licensed to act as a student loan servicer in Minnesota is prohibited from doing so under any other name or at any other place of business than that named in the certificate or license. Any time a student loan servicer changes the location of the servicer's place of business, the servicer must provide prior written notice to the commissioner. A student loan servicer must not maintain more than one place of business under the same certificate or license. The commissioner may issue more than one license to the same student loan servicer, provided that the servicer complies with the application procedures in section 58B.03 for each certificate or license.
(b) A certificate or license issued under this chapter is not transferable or assignable.
178.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

178.2 Sec. 12. [58B.05] LICENSE RENEWAL

178.3 Subdivision 1. Term. Licenses are renewable on January 1 of each year.

178.4 Subd. 2. Timely renewal. (a) A person whose application is properly and timely filed who has not received notice of denial of renewal is considered approved for renewal. The person may continue to act as a student loan servicer whether or not the renewed license has been received on or before January 1 of the renewal year. An application to renew a license is considered timely filed if received by the commissioner, or mailed with proper postage and postmarked, by the December 15 before the renewal year. An application to renew a license is considered properly filed if made upon forms duly executed, accompanied by fees prescribed by this chapter, and containing any information that the commissioner requires.

178.13 (b) A person who fails to make a timely application to renew a license and who has not received the renewal license as of January 1 of the renewal year is unlicensed until the renewal license has been issued by the commissioner and is received by the person.

178.16 Subd. 3. Contents of renewal application. An application to renew an existing license must contain the information specified in section 58B.03, subdivision 3, except that only the requested information having changed from the most recent prior application need be submitted.

178.20 Subd. 4. Cancellation. A student loan servicer that ceases an activity or activities regulated by this chapter and desires to no longer be licensed must inform the commissioner in writing and, at the same time, surrender the license and all other symbols or indicia of licensure. The licensee must include a plan to withdraw from student loan servicing, including a timetable for the disposition of the student loans being serviced.

178.25 Subd. 5. Renewal fees. The following fees must be paid to the commissioner for a renewal license:

178.27 (1) a nonrefundable renewal license fee established by the commissioner; and

178.28 (2) a nonrefundable renewal investigation fee established by the commissioner.

178.29 **EFFECTIVE DATE.** This section is effective January 1, 2020.

179.1 Sec. 13. [58B.06] DUTIES OF STUDENT LOAN SERVICERS.

179.2 Subdivision 1. Response requirements. Upon receiving a written communication from a borrower, a student loan servicer must:

179.4 (1) acknowledge receipt of the communication in less than ten days from the date the written communication was received; and
(2) provide information relating to the communication and, if applicable, the action the
student loan servicer will take to either (i) correct the borrower's issue, or (ii) explain why
the issue cannot be corrected. This information must be provided less than 30 days from
the date the written communication was received by the student loan servicer.

Subd. 2. Overpayments. A student loan servicer must ask a borrower in what manner
the borrower would like any overpayment on a student loan that exceeds the monthly amount
due to be applied to a student loan. A borrower's instruction regarding the application of
overpayments is effective for the term of the loan or until the borrower provides a different
instruction.

Subd. 3. Partial payments. A student loan servicer must apply a partial payment that
is less than the amount due on a student loan in a manner that minimizes late fees and the
negative impact on the borrower's credit history. If a borrower has multiple student loans
with the same student loan servicer, upon receipt of a partial payment the servicer must
apply the payments to satisfy as many individual loan payments as possible.

Subd. 4. Transfer of student loan. (a) If a borrower's student loan servicer changes
pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
must:

(1) require the new student loan servicer to honor all benefits that were made available,
or which may have become available, to a borrower from the original student loan servicer;
and
(2) transfer to the new student loan servicer all information regarding the borrower, the
account of the borrower, and the borrower's student loan, including but not limited to the
repayment status of the student loan and the benefits described in clause (1).

(b) The student loan servicer must complete the transfer under clause (2) less than 45
days from the date the of the sale, assignment, or transfer of the servicing.

(c) A sale, assignment, or transfer of the servicing must be completed no less than seven
days from the date the next payment is due on the student loan.

(d) A new student loan servicer must adopt policies and procedures to verify that the
original student loan servicer has met the requirements of paragraph (a).

Subd. 5. Income-driven repayment. A student loan servicer must evaluate a borrower's
eligibility for an income-driven repayment program before placing a borrower in forbearance
or default.

Subd. 6. Records. A student loan servicer must maintain adequate records of each student
loan for at least two years following the final payment on the student loan, or the sale,
assignment, or transfer of the servicing.
EFFECTIVE DATE. This section is effective July 1, 2019, and applies to student loan contracts executed on or after that date.

Sec. 14. [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 (1) engage in any unfair or deceptive practice, or (2) 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 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 the 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. Failure to respond to advocate. (a) A student loan servicer must respond in less than 15 days from the date the student loan servicer receives a communication from the student loan advocate. This response period may be reasonably shortened by the advocate in their communication.

(b) A student loan servicer must provide a response in less than 15 days from the date the student loan servicer receives a consumer complaint submitted to the servicer by the student loan advocate. A student loan servicer may request from the advocate an extension...
of up to 45 days from receipt of the consumer complaint, if the request is accompanied by
an explanation of why additional time is reasonable and necessary.

**EFFECTIVE DATE.** This section is effective July 1, 2019.

Sec. 15. [58B.08] EXAMINATIONS.

For the purposes of this chapter, the commissioner has the same powers with respect to
examinations of student loan servicers that the commissioner has under section 46.04.

**EFFECTIVE DATE.** This section is effective January 1, 2020.

Sec. 16. [58B.09] DENIAL, SUSPENSION, REVOCATION OF CERTIFICATES
OF EXEMPTION AND LICENSES.

**Subdivision 1.** Powers of commissioner.

(a) The commissioner may by order take any
or all of the following actions:

1. bar a person from engaging in student loan servicing;
2. deny, suspend, or revoke a certificate of exemption or student loan servicer license;
3. censure a student loan servicer;
4. impose a civil penalty as provided in section 45.027, subdivision 6; or
5. revoke a certificate of exemption.

(b) In order to take the action in paragraph (a), the commissioner must find:

1. the order is in the public interest; and
2. the student loan servicer, applicant, person in control, employee, or agent has:
   1. violated any provision of this chapter, or any rule or order under this chapter;
   2. violated any applicable provision of federal law or regulation related to student loan
      servicing, including but not limited to the federal Truth in Lending Act, United States Code,
      title 15, sections 1601 to 1667(f); or
   3. violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
      dishonest act or practice, including but not limited to negligently making a false statement
      or knowingly omitting a material fact, whether or not the act or practice involves student
      loan servicing;
   4. engaged in an act or practice that demonstrates untrustworthiness, financial
      irresponsibility, or incompetence, whether or not the act or practice involves student loan
      servicing;
pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor, or misdemeanor;

(vi) paid a civil penalty or been the subject of disciplinary action by the commissioner, an order of suspension or revocation, cease and desist order, injunction order, or order barring involvement in an industry or profession issued by the commissioner or any other federal, state, or local government agency;

(vii) been found by a court of competent jurisdiction to have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit;

(viii) refused to cooperate with an investigation or examination by the commissioner;

(ix) failed to pay any fee or assessment imposed by the commissioner; or

(x) failed to comply with state and federal tax obligations.

Subd. 2. Orders of the commissioner. To begin a proceeding under this section, the commissioner must issue an order requiring the subject of the proceeding to show cause why action should not be taken against the person under this section. The order must be calculated to give reasonable notice of the time and place for the hearing and must state the reasons for entry of the order. The commissioner may by order summarily suspend a license or certificate of exemption, or summarily bar a person from engaging in student loan servicing, pending a final determination of an order to show cause. If a license or certificate of exemption is summarily suspended or if the person is summarily barred from any involvement in the servicing of student loans, pending final determination of an order to show cause, a hearing on the merits must be held within 30 days of the issuance of the order of summary suspension or bar. If the subject of the order fails to appear at a hearing after having been duly notified, the person is considered in default and the proceeding may be determined against the subject of the order upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. Actions against lapsed license. If a license or certificate of exemption lapses, or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license or certificate of exemption was last effective and enter a revocation or suspension order as of the last date the license or certificate of exemption was in effect, and may impose a civil penalty as provided under this section or section 45.027, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 17. [325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.

Subdivision 1. Definitions. The definitions in section 16C.57 apply to this section.
Subd. 2. Prohibited actions. An Internet service provider is prohibited from engaging
in any of the following activities with respect to any of its Minnesota customers:

(1) block lawful content, applications, services, or nonharmful devices, subject to
reasonable network management;

(2) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
application, or service, or use of a nonharmful device, subject to reasonable network
management;

(3) engage in paid prioritization;

(4) unreasonably interfere with or unreasonably disadvantage:

(i) a customer's ability to select, access, and use broadband Internet service or lawful
Internet content, applications, services, or devices of the customer's choice; or

(ii) an edge provider's ability to provide lawful Internet content, applications, services,
or devices to a customer; or

(5) engage in deceptive or misleading marketing practices that misrepresent the treatment
of Internet traffic or content.

Subd. 3. Certification required. Prior to offering service to a customer in Minnesota,
or prior to August 1, 2019, for Internet service providers already offering services to
customers in Minnesota, an Internet service provider must file a document with the
commissioner of commerce certifying that it does not engage in any of the activities
prohibited under subdivision 2. The filing required by this subdivision must be provided
prior to offering services for the first time in Minnesota, at any time after a company or
entity has changed ownership or merged with another entity, or prior to offering services
in Minnesota after the company has suspended service for more than 30 days. An Internet
service provider is not otherwise required to make filings on an annual basis.

Subd. 4. Other laws. Nothing in this section (1) supersedes any obligation or
authorization an Internet service provider may have consistent with or as permitted by
applicable law to address the needs of emergency communications or law enforcement,
public safety, or national security authorities, or (2) limits the provider's ability to meet the
needs under clause (1).

Subd. 5. Enforcement. (a) A violation of subdivision 2 may be enforced by the
commissioner of commerce under section 45.027 and by the attorney general under section
8.31. The venue for enforcement proceedings is Ramsey County.

(b) A violation of the certification provided under subdivision 3 must be enforced under
section 609.48. The venue for enforcement proceedings is Ramsey County.