

58B.09 DENIAL; SUSPENSION; REVOCATION OF 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 student loan servicer license;
- (3) censure a student loan servicer;
- (4) impose a civil penalty, as provided in section 45.027, subdivision 6;
- (5) order restitution to the borrower, if applicable; or
- (6) revoke an 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:
 - (i) violated any provision of this chapter or a rule or order adopted or issued under this chapter;
 - (ii) 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;
 - (iii) engaged in an act or practice that demonstrates untrustworthiness, financial irresponsibility, or incompetence, whether or not the act or practice involves student loan servicing;
 - (iv) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor, or misdemeanor;
 - (v) paid a civil penalty or been the subject of a disciplinary action by the commissioner, 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;
 - (vi) been found by a court of competent jurisdiction to have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit;
 - (vii) refused to cooperate with an investigation or examination by the commissioner;
 - (viii) failed to pay any fee or assessment imposed by the commissioner; or
 - (ix) failed to comply with state and federal tax obligations.

Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the commissioner shall issue an order requiring the subject of the proceeding to show cause why action should not be taken against the person according to 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 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 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. All hearings must be conducted under chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. 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; is surrendered, withdrawn, or terminated; or otherwise becomes ineffective, the commissioner may (1) 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 on which the license or certificate of exemption was in effect, and (2) impose a civil penalty as provided for in this section or section 45.027, subdivision 6.

History: *1Sp2021 c 4 art 6 s 10*