

WAC 208-620-970 Servicing student education loans—Acquiring, transferring, or selling servicing activities. If you are acquiring, transferring, or selling servicing activities of federal student education loans in compliance with the department of education contractual requirements, you are not subject to the following requirements of this section.

(1) When acquiring servicing rights from another servicer you must:

(a) Notify the student education loan borrowers in writing no more than sixty days and no less than forty-five days before the effective date of the transfer of the students' loans to provide them with:

(i) The effective date of the transfer of servicing, and the date at which you will begin to accept payments relating to the loan, if different;

(ii) The name, mailing address, and toll-free telephone number for your designated points of contact, as well as the designated points of contact for the transferring servicer, at which the borrower can obtain answers to inquiries;

(iii) A statement that the transfer of servicing does not affect any term or condition of the student education loan other than the entity servicing the loan;

(iv) Information about how to obtain a payment history from you or the transferring servicer, including a count of payments that qualify toward any forgiveness options, as applicable;

(v) A notification indicating whether an alternative repayment plan or loan consolidation application is pending, if available; and

(vi) Information about how to appropriately direct and submit a complaint to the United States Department of Education, the student loan advocate, student loan ombuds, and other relevant federal or state agencies that collect borrower complaints, in the event of a servicing error. This requirement may be satisfied by language referring the student education loan borrower to their state's relevant authority.

(b) Continue processing student education loan modification requests, including applications for income-driven repayment, loan forgiveness, or loan consolidation received by you or the transferring servicer during the transfer process, if applicable; and

(c) Retain records necessary to maintain the borrower's uninterrupted enrollment in their existing repayment plan.

(2) When transferring or selling the servicing of loans you must:

(a) Notify the student education loan borrowers in writing no more than sixty days and no less than forty-five days before the effective date of the transfer of the students' loans to provide them with:

(i) If available, the effective date of the transfer of servicing, and the date at which you will no longer accept payments relating to the loan, if different;

(ii) The name, mailing address, and toll-free telephone number for your designated points of contact, as well as the designated points of contact for the receiving servicer, at which the borrower can obtain answers to inquiries; and

(iii) A statement that the transfer of servicing does not affect any term or condition of the student education loan other than the entity servicing the loan; and

(b) Inform the receiving servicer if a student education loan modification request is pending, if applicable.

[Statutory Authority: RCW 43.320.040, and 31.04.165. WSR 18-24-013, § 208-620-970, filed 11/27/18, effective 1/1/19.]