

286.12-010 Definitions for subtitle.

As used in this subtitle, unless the context requires otherwise:

- (1) "Affiliate" means any person who directly, or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with another person;
- (2) "Applicant" means a person filing an application or renewal application for a license under this subtitle;
- (3) "Borrower" means a person who:
 - (a) Has received, or agreed to pay, a student education loan; or
 - (b) Shares responsibility for repaying a student education loan with a person described in paragraph (a) of this subsection;
- (4) "Borrower with a disability" means a borrower who the servicer knows, or reasonably should know, is a person who has a documented disability;
- (5) "Borrower working in public service" means a borrower who is employed in a public service job as defined in the Higher Education Act, 20 U.S.C. sec. 1087e(m), as amended, and administrative regulations promulgated thereunder;
- (6) "Control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise;
- (7) "Director" means a person appointed or elected to sit on a board that manages the affairs of a corporation or other organization by electing and exercising control over its officers;
- (8) "In this state" means any activity of a person relating to servicing student education loans that originates:
 - (a) Inside this state and is directed to persons inside or outside this state; or
 - (b) Outside this state and is directed to persons inside this state;
- (9) "Licensee" means a person licensed as a student education loan servicer under this subtitle;
- (10) "Managing officer" means a natural person responsible for overseeing daily operations of a licensee;
- (11) "Military borrower" means a borrower who is:
 - (a) A service member, as defined in the Service Member Civil Relief Act, 50 U.S.C. sec. 3911, as amended;
 - (b) A veteran, as defined in 38 U.S.C. sec. 101, as amended; or
 - (c) Any other member or veteran of the United States Armed Forces, including the National Guard and any reserve component of the United States Armed Forces;
- (12) "Student education loan" means any loan to a borrower to finance postsecondary education or expenses related to postsecondary education;
- (13) "Student education loan servicer" or "servicer":

- (a) Means a person engaged in the business of servicing student education loans in this state; and
 - (b) Includes licensees and persons that are exempt from licensure under this subtitle; and
- (14) "Student education loan servicing" or "servicing" means participating in any of the following activities related to a student education loan:
- (a) Performing both of the following:
 - 1. Receiving:
 - a. Payments from a borrower; or
 - b. Notification that a borrower made a scheduled periodic payment; and
 - 2. Applying payments to the borrower's account pursuant to the terms of a student education loan or the contract governing the servicing of the loan;
 - (b) During a period when no payment is required on a student education loan, performing both of the following:
 - 1. Maintaining account records for the student education loan; and
 - 2. Communicating with the borrower regarding the student education loan on behalf of the owner of the student education loan promissory note;
 - (c) Communicating with a borrower regarding the borrower's student education loan with the goal of facilitating the borrower to:
 - 1. Make payments on the student education; or
 - 2. Apply for a qualified forbearance program; or
 - (d) Facilitating the activities described in paragraph (a) or (b) of this subsection.

Effective: July 14, 2022

History: Created 2022 Ky. Acts ch. 88, sec. 2, effective July 14, 2022.