

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights
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## Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	31,880	0	63,760	0	63,760
Department of Financial Institutions	0	781,500	0	1,621,500	0	1,621,500
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.					
<b>Total \$</b>	<b>0</b>	<b>813,380</b>	<b>0</b>	<b>1,685,260</b>	<b>0</b>	<b>1,685,260</b>

## Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.5	103,145	135,025	1.0	175,246	239,006	1.0	175,246	239,006
Department of Financial Institutions	4.8	0	1,058,288	5.8	0	1,263,684	5.8	0	1,263,684
Student Achievement Council	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
<b>Total</b>	<b>5.3</b>	<b>\$103,145</b>	<b>\$1,193,313</b>	<b>6.8</b>	<b>\$175,246</b>	<b>\$1,502,690</b>	<b>6.8</b>	<b>\$175,246</b>	<b>\$1,502,690</b>

## Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 902-9810	<b>Date Published:</b> Final 3/ 6/2017
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 48122

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights	<b>Agency:</b> 090-Office of State Treasurer
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Financial Services Regulation Account-Non-Appropriated 300-6				(350,000)	(350,000)
Student Education Loan Ombuds Account-Non-Appropriated New-6				350,000	350,000
<b>Total \$</b>					

### Estimated Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Linda Merelle	Phone: 360-786-7092	Date: 02/28/2017
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/01/2017
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/01/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/02/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

2SHB 1440 creates the student education loan ombuds account, coupled with the general fund as the recipient of the earnings from investments.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Under section 3(2)(a), beginning in FY 20 the state treasurer shall annually transfer from the financial services regulation fund to the student education loan ombuds account the greater of one hundred seventy-five thousand dollars or twenty percent of the annual assessment derived from student education loan servicing.

Assumption: The transfer amount will equal \$175,000 per year; based on correspondence with the department of financial institutions.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. Two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings. Based on the November 2016 revenue forecast, assume approximately \$6,800 in FY 18, \$16,800 in FY 19, \$26,800 in FY 20 and \$29,300 in FY 21 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

## Part IV: Capital Budget Impact

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Legal Services Revolving Account-State 405-1		31,880	31,880	63,760	63,760
<b>Total \$</b>		31,880	31,880	63,760	63,760

### Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	1.0	0.5	1.0	1.0
<b>Account</b>					
General Fund-State 001-1	15,522	87,623	103,145	175,246	175,246
Legal Services Revolving Account-State 405-1	0	31,880	31,880	63,760	63,760
<b>Total \$</b>	15,522	119,503	135,025	239,006	239,006

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

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- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Linda Merelle	Phone: 360-786-7092	Date: 02/28/2017
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 03/02/2017
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 03/02/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/03/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 adds a new section to RCW 28B.77 requiring the Student Achievement Council (SAC) to designate a Student Education Loan Ombuds (ombuds) to provide timely assistance to any student education loan borrower with any student education loan, and to receive and review complaints from student education loan borrowers. Complaints regarding servicers licensed or subject to licensing under RCW 31.04 must be referred to the Department of Financial Institutions (DFI). The Ombuds, in collaboration with the Attorney General's Office (AGO), will receive, review, and refer to the AGO's Consumer Protection Division, all other complaints from student loan education loan borrowers regarding student education loan servicers. The Ombuds, DFI, and the AGO must confer annually regarding student education loan servicer complaints, the proper referral processes for those complaints, and the reporting requirements of the Ombuds under RCW 31.04 and this section. The duties of the Ombuds are listed. By October 1, 2019, the Ombuds must establish and maintain a Student Education Loan Borrower education course. The SAC, by December 31, 2019, must report to the Legislature on the implementation of this section and other related matters.

Section 2 adds a new section to RCW 31.04 requiring DFI to establish fees by rule to cover the costs of administering DFI's program for student education loan servicers and the SAC's student education loan ombuds.

Sections 3 and 4 pertain to the student education loan ombuds account created in the custody of the state treasurer.

Sections 5 and 6 add new sections to RCW 31.04 imposing various requirements on student education loan servicers. DFI is authorized to adopt all necessary rules to implement these sections..

Section 7 adds a new section to RCW 31.04 imposing various requirements on any person providing third-party student education loan modification services.

Section 8 amends RCW 31.04.015 to add definitions for "educational institution," "student education loan," "student education loan borrower," "student education loan servicer," "student education loan servicing" or "service a student education loan," and "third-party student education loan modification services."

Section 9 adds a new section to RCW 31.04 to specify programs and persons that are subject to the student education loan servicer requirements in this chapter, but are exempt from having to obtain and maintain a license in accordance with this chapter. DFI may refer to the AGO's Consumer Protection Division complaints regarding entities subject to this section.

Section 10 amends RCW 31.04.027 to add a subsection addressing violations of this chapter by a student education loan servicer.

Section 11 amends RCW 31.40.035 to add references to persons that "service or modify student education loans" or "not subject to licensure under section 9 of this act."

Section 12 amends RCW 31.04.093 add references to "student education loan servicing."

Section 13 amends RCW 31.04.102 to require for all consumer loans made by a licensee that are a refinance of a

federal student education loan a required specific clear and conspicuous disclosure.

Sections 14 through 16 amend statutes to make non-substantive changes.

Section 17 amends RCW 31.04.310 to add “or student education” before “loan servicer.”

Section 18 adds a new section to RCW 31.04 to exclude from the requirements of this act banks, savings banks, trust companies, savings and loan or building and loan associations, or credit unions.

Section 19 is a new section authorizing DFI, the AGO, and the SAC to take the steps necessary to ensure this Act is implemented on January 1, 2018.

Section 20 is a new section stating that this act may be known and cited as the Washington Student Education Loan Bill of Rights.

Section 21 is a new section providing this Act takes effect January 1, 2018.

## **II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Cash receipts are assumed to equal the Legal Service Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is DFI. The AGO will bill all clients for legal services rendered.

These cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

AGO Consumer Protection activities are funded with General Fund-State dollars. There is no client agency to bill for legal services.

## **II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

In order to provide legal services, the AGO estimates a workload impact of:

FY 2018: 0.7 Assistant Attorney General (AAG) at a cost of \$15,522.

FY 2019 and in each FY thereafter: 0.42 AAG, 0.21 Legal Assistant (LA), 0.09 Investigator (INV) and 0.16 Paralegal (PL) at a cost of \$119,503.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on January 1, 2018.
2. The AGO Education division has reviewed this bill and determined it will increase the division's workload in representing SAC in the implementation, but at a nominal level. These costs are not included in this request.

Assumptions for the AGO Consumer Protection (CPR) Legal Services:

1. CPR enforces the Consumer Protection Act with respect to conduct that is made unlawful under RCW 19.86.020, which broadly prohibits unfair or deceptive acts or practices in trade or commerce. CPR 's focus is on representations and failures to disclose terms and conditions.
2. CPR activities are funded with General Fund-State dollars.
3. CPR will confer with SAC and DFI on complaints.
4. CPR will confer with DFI on which agency will pursue enforcement. CPR assumes this collaboration will occur more frequently in FY 2018 and then will be more streamlined thereafter.
5. CPR anticipates up to three investigations per FY.
6. CPR assumes up to two litigation matters per FY.
7. Based on past experience with cases involving similar complexity, CPR assumes these matters will resolve without trial, either by negotiated settlement or summary judgment. Given past experience, the number of hours of staff time required for resolution by negotiated settlement or summary judgment will be roughly equivalent.
8. Beginning in FY2019 and each year thereafter, CPR estimates that 220 AAG hours, 80 investigator hours, and 50 paralegal hours will be required for each case that is investigated and resolved by negotiated settlement or at summary judgment.
9. Summary of workload:

A. FY2018: 0.07 AAG at a cost of \$15,522. Reviewing information referred by SAC; conferring with SAC and DFI regarding referrals; analyzing information for possible enforcement action.

B. FY 2019 and each FY thereafter at a cost of \$87,623 (0.32 AAG, 0.06 PL, 0.09 INV and 0.16 LA). These estimates are based on two investigations per year that resolve at negotiated settlement/summary judgment. Costs include reviewing information referred by SAC, conferring with SAC and DFI regarding referrals, and analyzing information for possible enforcement action. They also include investigating possible violations of law, which involve sending investigative demands, reviewing investigative demand responses, interviewing witnesses, depositions, etc.; seeking remedies for violation of law (including settlement negotiations or litigation as necessary, and additional fact finding demands or depositions, motions practice, litigation if necessary.)

Assumptions for the AGO Government Compliance & Enforcement (GCE) Legal Services for DFI:

1. The AGO will bill DFI for legal services based on the enactment of this bill.
2. GCE assumes DFI will undertake rulemaking and that 20 AAG hours will be required for the review and advice relating to rulemaking. Because the bill provides that the agencies "may take the actions necessary to ensure this act is implemented on January 1, 2018," we assume that this work will be performed in FY 2018.

These costs are nominal and not included in this request.

3. DFI estimates that the provisions in this bill will generate an average of 4 new administrative proceedings each year. GCE assumes that DFI staff will represent DFI in the administrative proceedings not referred to the AGO.

4. Of these 4 proceedings, DFI assumes that 2 new cases will be referred each year to the AGO for litigation. GCE anticipates that the new litigation referrals will not be received until FY2019.

5. Based on past experience with similar consumer loan cases, GCE assumes that of the 2 referrals the division receives, one case will settle and the other will proceed to a full administrative hearing. Beginning in FY2019 and each year thereafter, 180 AAG hours and 180 PL hours are required for the 2 cases.

6. Total workload impact for 0.1 AAG, 0.1 PL and 0.05 LA is \$31,880 in FY 2019 and in each FY thereafter.

Note: Agency administration support FTEs are included in the tables below, using a Management Analyst 5 as a representative classification.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.1	1.0	0.5	1.0	1.0
A-Salaries and Wages	7,009	75,530	82,539	151,060	151,060
B-Employee Benefits	2,097	24,909	27,006	49,818	49,818
C-Professional Service Contracts					
E-Goods and Other Services	6,241	17,199	23,440	34,398	34,398
G-Travel	105	985	1,090	1,970	1,970
J-Capital Outlays	70	880	950	1,760	1,760
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$15,522	\$119,503	\$135,025	\$239,006	\$239,006

#### III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Assistant Attorney General	100,128	0.1	0.4	0.3	0.4	0.4
Investigator 4	82,728		0.1	0.1	0.1	0.1
Legal Assistant III	48,060		0.2	0.1	0.2	0.2
Management Analyst 5	73,140		0.1	0.0	0.1	0.1
Paralegal II	63,036		0.2	0.1	0.2	0.2
<b>Total FTE's</b>	367,092	0.1	1.0	0.5	1.0	1.0

#### III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
COnsumer Protection Division (CPR)	15,522	87,623	103,145	175,246	175,246
Government Compliance & Enforcement Division (G		31,880	31,880	63,760	63,760
<b>Total \$</b>	15,522	119,503	135,025	239,006	239,006



**Part IV: Capital Budget Impact**

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights	<b>Agency:</b> 102-Department of Financial Institutions
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Financial Services Regulation Account-State 300-1	24,750	756,750	781,500	1,621,500	1,621,500
<b>Total \$</b>	24,750	756,750	781,500	1,621,500	1,621,500

### Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	3.7	5.8	4.8	5.8	5.8
<b>Account</b>					
Financial Services Regulation Account-State 300-1	426,446	631,842	1,058,288	1,263,684	1,263,684
<b>Total \$</b>	426,446	631,842	1,058,288	1,263,684	1,263,684

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

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- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Linda Merelle	Phone: 360-786-7092	Date: 02/28/2017
Agency Preparation: Emily Hindman	Phone: (360) 902-8780	Date: 03/01/2017
Agency Approval: Levi Clemmens	Phone: (360) 902-8818	Date: 03/01/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/03/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

This bill tasks the Department of Financial Institutions (DFI) with regulating Student Loan Servicers. DFI will develop and implement a full licensing and regulatory scheme for this new license type. The bill requires student loan servicers to be licensed by DFI, grants authority to DFI to conduct investigations and examinations, grants power to suspend or revoke any license for violating the student loan bill of rights, requires moderate rule writing, and grants the power to pursue violations of federal and state laws and rules regarding loan servicing.

This fiscal note is based on an estimate of industry participation. The cost of regulation will vary based on the size and complexity of the industry, and on the volume of complaints referred to DFI. DFI is a self-funded, non-appropriated agency. Industries currently regulated by DFI pay fees commensurate with the costs of regulation.

Anticipated revenue for FY18 will not cover costs to administer the program. Beginning in FY19 and beyond, we anticipate receiving enough revenue from exams and assessments to cover the costs plus the required transfer of funds to the Student Loan Ombuds Account.

The proposed legislation requires that DFI implement the provisions by taking the following actions:

Section 1 - Receive, investigate and respond to complaints.

Section 2 – Conduct rule writing to establish fees sufficient to cover program costs.  
Collect application, licensing, assessment, examination and investigation fees.

Section 3 - Establish a process for reporting the assessment fees to the state treasurer for annual transfer of revenue to Washington Student Achievement Council (WSAC) beginning in fiscal year 2020.

Section 11– Create a new license type and develop an application process. Review, evaluate and process applications for each entity. Examine each applicant for character, financial responsibility and fitness. Conduct background checks. Issue a license for each company.

Section 12 - Conduct enforcement activities. DFI would have the authority to deny an application for license and revoke, condition or suspend a license.

Section 14 & 15 – Authority to investigate, examine and supervise each licensee. Assess and collect fees to cover the costs of activities. Grants rulemaking authority to ensure full administration and licensee compliance.

Section 16 – Requires student loan servicers to submit call reports.

Section 17 – Grants authority to petition the superior court for a receiver to take over a licensee.

Section 16 – Grants authority to DFI, the office of the attorney general and WSAC to take action necessary to implement by January 1, 2018, in advance of any fees being collected.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

DFI estimates that there will be at least 11 entities who apply for licensure. This is the estimated lowest number of licensees, as some states estimate up to 25 licensees. The fees anticipated in the bill will be set by rule and we will set an appropriate fee structure to cover DFI's costs. We estimate that servicers will each pay a licensing fee of \$1,000 plus an application fee of \$1,000. Application and initial licensing revenue will be received through the nationwide licensing database, NMLS. In addition, each licensee is subject to examination which will be billed at \$90 per hour. Each servicer will also pay an annual assessment fee based on volume of business and risk to consumers. The assessment fee will be collected at the time of application (represented by the licensing fee) and annually thereafter.

We estimate cash receipts will total:

FY18 Total Revenue- \$24,750

FY19 Total Revenue- \$756,750

FY20 and beyond Total Revenue- \$810,750

The cash receipts are calculated as follows:

Application and licensing fees:

FY18 - \$22,000

Section 2(1)(d) – Each applicant will pay a non-refundable application fee of \$1,000 and a license fee of \$1,000.

We estimate the following revenue under the assumption that there would be 11 entities who apply in FY18.  $[(11 \times \$1,000 = \$11,000) + (11 \times \$1,000 = \$11,000)] = \$22,000$ .

License Amendment Fees:

FY18 and ongoing - \$2,750

Section 2(1)(f) – Each licensee will pay a transaction fee for changes to their account record; changes in control, change of location, change of address, etc.

For 11 licensees, we estimate that there will be 55 such changes per year at a fee of \$50.  $(55 \times \$50 = \$2,750)$

Assessment Fees:

FY19 and ongoing - \$700,000

Section 2(1)(a) – Each licensee will pay an assessment fee based on their volume of business in the previous year. Assessment fees will be established by rule and we estimate the following revenue under the assumption that servicers will handle \$7,000,000 each (US Dept. of Education figures showing \$7.7B in outstanding federal loans) in loans per year. We propose using an assessment factor of .909091% of total loan balances serviced. The first assessment fees will be due in early CY 2019 for business conducted in CY 2018.  $(7,000,000 \times .909091\% \times 11 = \$700,000)$

Exam fees:

FY19 - \$54,000

FY20 ongoing \$108,000

Section 14 grants the authority to examine or investigate each licensee location. Section 2(1)(c) identifies hourly exam costs. Exam costs will be billed at \$90 per hour and each exam will likely require 120 hours. We expect to examine 5 licensees in FY19 and 10 licensees each year following.

FY19 -  $\$90 \times 120 \times 5 = \$54,000$

FY20 ongoing -  $\$90 \times 120 \times 10 = \$108,000$

## Investigation fees:

For purposes of this fiscal note, we have not included investigative fees as they are indeterminate.

Section 3(2)(a) In FY19 and beyond, a minimum of \$175,000 in revenue will be transferred from DFI's financial services regulation account to the WSAC to cover the costs of administering the Council's duties. In the event that \$175,000 is less than 20% of assessment revenue, 20% of assessment revenue will be transferred to WSAC.

## II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

### One-time expenditures:

Section 11 – The proposed legislation creates a new license type. DFI will have to develop a new licensing and application review process requiring revisions to existing computer applications. IT contract costs are estimated to be \$29,500 in FY18. DFI will have rule writing authority under this legislation and expects that rules will be necessary to assist this newly regulated industry. Rulemaking costs will be absorbed by DFI.

### Ongoing expenditures:

Section 1(2) allows the WSAC student education loan ombuds and DFI to receive, review and investigate complaints. We cannot estimate the number of complaints that may fall under the authority of DFI. Based on complaint data collected by the Consumer Financial Protection Bureau, there does seem to be a high volume of complaints in this area that will require staff time to investigate and resolve.

Section 1(4) requires the ombuds, DFI and the Office of the Attorney General to confer each year regarding complaint referral processes and reporting requirements.

Section 3(2)(b) DFI will develop a method of reporting assessment revenue each year to the office of the state treasurer for purposes of calculating funds to be transferred to the ombuds office.

DFI will collect financial, criminal background information and other identifying information for review of suitability for licensure.

DFI will have authority to examine and investigate each licensee.

DFI will receive, investigate and resolve complaints.

DFI will have enforcement authority.

The costs of conducting these activities are represented by the FTE estimates below:

### Program FTEs in FY18:

FTE	Position	Functional Area
.3	Management Analyst 5	Licensing
.2	Program Specialist 3	Licensing
.2	Secretary Senior	Exams
1.0	Financial Examiner 3	Exams
.2	Financial Examiner Supv.	Exams
.3	Legal Assistant 4	Enforcement
.7	Fin. Legal Examiner 4	Enforcement
.3	Fin. Legal Examiner Supv.	Enforcement
3.2	Total Program FTEs	

### Program FTEs in FY19 and beyond:

FTE	Position	Functional Area
.1	Management Analyst 5	Licensing
.2	Program Specialist 3	Licensing
.4	Secretary Senior	Exams
1.7	Financial Examiner 3	Exams
.3	Financial Examiner Supv.	Exams
.7	Legal Assistant 4	Enforcement
1.3	Fin. Legal Examiner 4	Enforcement
.3	Fin. Legal Examiner Supv.	Enforcement
5.0	Total Program FTEs	

Administrative overhead is calculated at 15% of program FTEs using a fiscal analyst 3 as a representative position, which comes to \$34,387 in FY18 and \$53,730 FY19 and beyond.

The Attorney Generals Office estimates a workload impact of 180 Assistant Attorney General hours and 180 Paralegal hours in FY19 and beyond. These hours will be charged to DFI at a cost of \$31,880 in FY19 and each fiscal year thereafter.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	3.7	5.8	4.8	5.8	5.8
A-Salaries and Wages	245,156	374,667	619,823	749,334	749,334
B-Employee Benefits	75,751	115,759	191,510	231,518	231,518
C-Professional Service Contracts	29,500		29,500		
E-Goods and Other Services	37,539	89,316	126,855	178,632	178,632
G-Travel	25,700	44,100	69,800	88,200	88,200
J-Capital Outlays	12,800	8,000	20,800	16,000	16,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	<b>\$426,446</b>	<b>\$631,842</b>	<b>\$1,058,288</b>	<b>\$1,263,684</b>	<b>\$1,263,684</b>

#### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2018	FY 2019	2017-19	2019-21	2021-23
Financial Examiner 3	69,648	1.0	1.7	1.4	1.7	1.7
Financial Examiner Supv.	102,084	0.2	0.3	0.3	0.3	0.3
Financial Legal Examiner 4	76,812	0.7	1.3	1.0	1.3	1.3
Financial Legal Examiner Supv.	102,084	0.3	0.3	0.3	0.3	0.3
Fiscal Analyst 3	46,884	0.5	0.8	0.7	0.8	0.8
Legal Assistant 4	44,652	0.3	0.7	0.5	0.7	0.7
Management Analyst 5	61,512	0.3	0.1	0.2	0.1	0.1
Program Specialist 3	50,496	0.2	0.2	0.2	0.2	0.2
Secretary Senior	31,224	0.2	0.4	0.3	0.4	0.4
<b>Total FTE's</b>	<b>585,396</b>	<b>3.7</b>	<b>5.8</b>	<b>4.8</b>	<b>5.8</b>	<b>5.8</b>

### Part IV: Capital Budget Impact

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Section 2(1)

Section 5

Section 6

Section 7

Section 9

Section 13(5)

This proposed legislation grants DFI the authority to adopt rules as necessary to implement the provisions of the act.  
Rulemaking costs will be absorbed.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights	<b>Agency:</b> 340-Student Achievement Council
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Linda Merelle	Phone: 360-786-7092	Date: 02/28/2017
Agency Preparation: Becky Thompson	Phone: 360-753-7840	Date: 03/06/2017
Agency Approval: Don Bennett	Phone: 360-753-7810	Date: 03/06/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 03/06/2017



## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Second Substitute House Bill 1440 establishes a student loan bill of rights.

Specific to the Washington Student Achievement Council (WSAC), 2SHB 1440:

#### Section 1

- Designates a student loan ombuds to assist any student loan borrower of any student education loan.
- Ombuds to receive and review complaints from student borrowers. May include a complete loan history review. Refer complaints to the Attorney General Office (AGO) or the Department of Financial Institutions (DFI) as necessary.
- Annually confer with AGO and DFI on compliant referrals and reporting requirements.
- Compile and analyze data on borrower complaints.
- Assist borrowers in understanding their rights and responsibilities.
- Provide information to the public, agencies, legislators and others regarding the problems and concerns of student loan borrowers and make recommendations to resolve.
- Analyze and monitor the development and implementation of federal, state and local laws, rules, regulations and policies relating to student borrowing and recommend changes.
- Disseminate information about the availability of the ombuds.
- Develop and maintain a student loan borrower education course by October 1, 2019.
- By December 31, 2019, submit a legislative report on the implementation, effectiveness of the ombuds and the types of complaints, along with resolutions.

#### Section 4

- The student loan ombuds account is created for the purpose of covering the costs of administering the ombuds defined in Section 1.

2SHB 1440 differs from SHB 1440 related to WSAC responsibilities only in that the word "account" in Section 4 was deleted, adding clarification that the loan ombuds account can be used to cover the costs of administering the ombuds, not specifically the ombuds account. This deletion does not change the fiscal note.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Per section 2(1), the Department of Financial Institutions (DFI) is to establish fees sufficient enough to cover DFI administration and WSAC's student education loan ombuds.

Per section 3(2)(a), beginning in 2019-2020, the State Treasurer transfers the greater of \$175,000 or 20% of the annual assessment of student education loan servicing.

Cash receipts are indeterminate as the number of loan servicers are unknown, but will be a minimum of \$175,000 by way of an interagency transfer.

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Expenditures are indeterminate as they are dependent on the number of initial complaints, the number of complaints needing to be referred, and any changes to local and federal laws related to student borrowing.

WSAC assumes an initial general fund-state (GF-S) appropriation would be required to cover initial implementation costs before funds from fee revenue will be available through the student loan ombuds account beginning in 2019-20 (per section 3(2)(a)).

#### NUMBER OF COMPLAINTS:

The number of complaints 1) researched by WSAC and 2) referred on to the Attorney General Office or the Department of Financial Institutions is indeterminate.

WSAC currently administers three other complaint processes: 1) Schools that fall under WSAC jurisdiction for degree authorization (DA) under Chapter 28B.95 RCW; 2) Schools that are exempt from DA but have signed a Memorandum of Agreement designating WSAC as the final arbitrator for student complaints to meet U.S. Department of Education requirements in 34 CFR 600.9; and 3) Washington schools participating in State Authorization Reciprocity Agreements. In 2015, WSAC received 162 school complaints requiring 0.2 FTE associate director to research, make referrals, and seek resolution. Degree authorization complaints that require formal investigations have been fewer (2-3 per year) but they require significant time commitment, in some cases spanning six months. It is unknown if the number of complaints related to HB 1440 will be similar, as the period of time a borrower is in repayment can be up to 15 years longer than those attending college, we do not have current data on the number of borrowers experiencing difficulty with loan servicers.

#### ADMINISTRATIVE EXPENSES:

Administrative functions (as defined in Section 1) to be carried out by the Washington Student Achievement Council (WSAC) include:

- Designate a student loan ombuds to assist any student loan borrower of any student education loan.
- Ombuds to receive and review complaints from student borrowers. May include a complete loan history review. Refer complaints to the Attorney General Office (AGO) or the Department of Financial Institutions (DFI) as necessary.
- Annually confer with AGO and DFI on compliant referrals and reporting requirements.
- Compile and analyze data on borrower complaints.
- Assist borrowers in understanding their rights and responsibilities.
- Provide information to the public, agencies, legislators and others regarding the problems and concerns of student loan borrowers and make recommendations to resolve.
- Analyze and monitor the development and implementation of federal, state and local laws, rules, regulations and policies relating to student borrowing and recommend changes.
- Disseminate information about the availability of the ombuds.
- Develop and maintain a student loan borrower education course by October 1, 2019.
- By December 31, 2019, submit a legislative report on the implementation, effectiveness of the ombuds and the types of complaints, along with resolutions.

To perform these activities, WSAC would need 1.0 FTE associate director (Ombuds position), 0.20 FTE program coordinator, and 0.5 FTE IT programmer in year 1.

Thereafter it is assumed that the IT infrastructure would be built and curriculum resources developed and less administrative support would be needed. For year 2 and subsequent years, staff time expended is estimated to be 1.0 FTE associate director (Ombuds position) and 0.10 program coordinator.

As previously stated the number and nature of complaints are unknown making administrative expenses indeterminate. The level of staffing described here is the minimum to carry out the non-complaint related activities (such as analyzing data, borrower education and promotion) and investigating and resolving complaints of similar number and nature as currently handled by WSAC and described in the complaint section above. It is assumed complaints will increase over time as more borrowers become aware of the resource.

Details on estimated minimum administrative expenses are as follows:

FY 2018

MINIMUM:

Salaries = \$140,000

Benefits = \$48,000

Goods and Services = \$46,000

Travel = \$2,000

Equipment = \$5,000

Total = \$241,000

FY 2019 and beyond

MINIMUM:

Salaries = \$99,000

Benefits = \$30,000

Goods and Services = \$30,000

Travel = \$1,000

Total = \$160,000

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

The Washington Student Achievement Council would need to adopt administrative rules.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1440 2S HB	<b>Title:</b> Student loan bill of rights	<b>Agency:</b> 376-The Evergreen State College
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## Part I: Estimates



No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Linda Merelle	Phone: 360-786-7092	Date: 02/28/2017
Agency Preparation: Catherine Nicolai	Phone: (360) 586-2769	Date: 03/01/2017
Agency Approval: Lisa Dawn-Fisher	Phone: 360-867-6185	Date: 03/01/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 03/06/2017

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

2SHB 1440 bill removes the bill section that directed WSIPP to conduct a study on the "impact and cost-effectiveness of establishing a student loan authority."

This removes all fiscal impact for WSIPP.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*



# Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
1440 2S HB	Student loan bill of rights

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimated Cash Receipts

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	2018-27 TOTAL
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Department of Financial Institutions	24,750	756,750	810,750	810,750	810,750	810,750	810,750	810,750	810,750	810,750	7,267,500
Student Achievement Council Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
The Evergreen State College	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>24,750</b>	<b>756,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>7,267,500</b>



# Ten-Year Analysis

<b>Bill Number</b> 1440 2S HB	<b>Title</b> Student loan bill of rights	<b>Agency</b> 090 Office of State Treasurer
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp> .

## Estimates

☒ **No Cash Receipts**      ☐ **Partially Indeterminate Cash Receipts**      ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 3/1/2017 11:22:16 am
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 3/1/2017 11:22:16 am
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1440 2S HB	<b>Title</b> Student loan bill of rights	<b>Agency</b> 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp> .

## Estimates

☒ **No Cash Receipts**      ☐ **Partially Indeterminate Cash Receipts**      ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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## Narrative Explanation (Required for Indeterminate Cash Receipts)

None

Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 3/2/2017 12:33:12 pm
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 3/2/2017 12:33:12 pm
OFM Review:	Phone:	Date:





# Ten-Year Analysis

<b>Bill Number</b> 1440 2S HB	<b>Title</b> Student loan bill of rights	<b>Agency</b> 102 Department of Financial Institutions
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☐

No Cash Receipts

☐

Partially Indeterminate Cash Receipts

☐

Indeterminate Cash Receipts

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	2018-27 TOTAL
Student Loan Servicer Assessment Fee	300		700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	6,300,000
Student Loan Servicer Examination Fee	300		54,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	918,000
Student Loan Servicer License Amendment Fee	300	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	27,500
Student Loan Servicer License Application Fee2	300	22,000										22,000
<b>Total</b>		<b>24,750</b>	<b>756,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>810,750</b>	<b>7,267,500</b>

**Biennial Totals**

**781,500**

**1,621,500**

**1,621,500**

**1,621,500**

**1,621,500**

**7,267,500**

## Narrative Explanation (Required for Indeterminate Cash Receipts)

This bill tasks the Department of Financial Institutions (DFI) with regulating Student Loan Servicers. DFI will develop and implement a full licensing and regulatory scheme for this new license type. The bill requires student loan servicers to be licensed by DFI, grants authority to DFI to conduct investigations and examinations, grants power to suspend or revoke any license for violating the student loan bill of rights, requires moderate rulemaking, and grants the power to pursue violations of federal and state laws and rules regarding loan servicing.

This fiscal note is based on an estimate of industry participation. The cost of regulation will vary based on the size and complexity of the industry, and on the volume of complaints referred to DFI. DFI is a self-funded, non-appropriated agency. Industries currently regulated by DFI pay fees commensurate with the costs of regulation.

### Assessment Fees:

FY19 and ongoing - \$700,000

Section 2(1)(a) – Each licensee will pay an assessment fee based on their volume of business in the previous year. Assessment fees will be established by rule and we



# Ten-Year Analysis

Bill Number	Title	Agency
1440 2S HB	Student loan bill of rights	102 Department of Financial Institutions

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Narrative Explanation (Required for Indeterminate Cash Receipts)

estimate the following revenue under the assumption that servicers will handle \$7,000,000 each (US Dept. of Education figures showing \$7.7B in outstanding federal loans) in loans per year. We propose using an assessment factor of .909091% of total loan balances serviced. The first assessment fees will be due in early CY 2019 for business conducted in CY 2018.  $(7,000,000 \times .909091\% \times 11 = \$700,000)$

Section 2(1)(c) - Examination fees:

FY19 - \$54,000

FY20 ongoing \$108,000

Section 14 grants the authority to examine or investigate each licensee location. Section 2(1)(c) identifies hourly exam costs. Exam costs will be billed at \$90 per hour and each exam will likely require 120 hours. We expect to examine 5 licensees in FY19 and 10 licensees each year following.

FY19 -  $\$90 \times 120 \times 5 = \$54,000$

FY20 ongoing -  $\$90 \times 120 \times 10 = \$108,000$

Section 2(1)(f) – License Amendment fees:

FY18 and ongoing - \$2,750

Each licensee will pay a transaction fee for changes to their account record; changes in control, change of location, change of address, etc.

We estimate that there will be 55 such changes per year at a fee of \$50.  $(55 \times \$50 = \$6,000)$

Section 2(1)(d) – License Application fees:

FY18 - \$22,000

Each applicant will pay a non-refundable application fee of \$1,000 and a license fee of \$1,000.  $[(11 \times \$1,000 = \$11,000) + (11 \times \$1,000 = \$11,000)] = \$22,000$ .

Agency Preparation: Emily Hindman	Phone: (360) 902-8780	Date: 3/1/2017 1:38:46 pm
Agency Approval: Levi Clemmens	Phone: (360) 902-8818	Date: 3/1/2017 1:38:46 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1440 2S HB	<b>Title</b> Student loan bill of rights	<b>Agency</b> 340 Student Achievement Council
----------------------------------	---	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

☐ No Cash Receipts      ☐ Partially Indeterminate Cash Receipts      ☒ Indeterminate Cash Receipts

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Fees are to be collected by the Department of Financial Institutions under Section 2.

Agency Preparation: Becky Thompson	Phone: 360-753-7840	Date: 3/6/2017 3:11:12 pm
Agency Approval: Don Bennett	Phone: 360-753-7810	Date: 3/6/2017 3:11:12 pm
OFM Review:	Phone:	Date:



# Ten-Year Analysis

<b>Bill Number</b> 1440 2S HB	<b>Title</b> Student loan bill of rights	<b>Agency</b> 376 The Evergreen State College
----------------------------------	---	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp> .

## Estimates

☒ **No Cash Receipts**      ☐ **Partially Indeterminate Cash Receipts**      ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Catherine Nicolai	Phone: (360) 586-2769	Date: 3/1/2017 12:17:19 pm
Agency Approval: Lisa Dawn-Fisher	Phone: 360-867-6185	Date: 3/1/2017 12:17:19 pm
OFM Review:	Phone:	Date: