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MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION  
INDUSTRY ADVISORY  
REGULATORY NOTICE

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October 6, 2022

**Notice to Student Loan Debt Settlement Service Providers –  
Disclosures and Prohibitions**

During its 2022 session, Maryland’s General Assembly passed, and Governor Larry Hogan signed into law, [House Bill 128](#) (618 Md. Laws 2022). The new law, which took effect on October 1, 2022, requires debt settlement service providers engaged in the business of providing student education debt relief to Maryland consumers to state on their service agreement documents and in their advertising that their company is not affiliated with the U.S. Department of Education and is not a lender. Responsive changes to advertising and forms should have been made.

Additionally, the law prohibits debt settlement service providers engaged in student education loan debt relief from advising (either expressly or by implication) student loan borrowers to cease making scheduled loan payments to, or to cease communicating with, the borrower’s student loan servicer; and further prohibits the provider from accessing or obtaining a borrower’s student aid information in violation of federal law.

Violation of the Maryland Debt Settlement Services Act, and hence the law’s new provisions, will be considered as an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA) and be subject to MCPA’s civil and criminal penalty provisions. The Maryland Student Loan Ombudsman will monitor student education debt relief related complaints and will refer any matter that may be deemed as abusive, unfair, deceptive, or fraudulent to the Maryland Commissioner of Financial Regulation for further investigation and potential civil enforcement or criminal prosecution.

**Debt settlement service providers are encouraged to review the full text of the law ([linked above](#)).**

For questions, please contact Sean McEvoy, [Student Loan Ombudsman](#) in the Commissioner’s Office by email at [studentloan.ombudsman@maryland.gov](mailto:studentloan.ombudsman@maryland.gov) or by phone at (410) 230-6185.

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*The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).*



**Office of the Commissioner of Financial Regulation**

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