



Andy Beshear, Governor

Ray A. Perry, Secretary
Marni Rock Gibson, Acting Commissioner

FOR IMMEDIATE RELEASE

Contact: Tasha Stewart
502-782-8818
tasha.stewart@ky.gov

License Application Opens for Kentucky’s Student Education Loan Servicers

Frankfort, Ky. (Oct. 5, 2023) – In accordance with the Student Education Loan Servicing, Licensing, and Protection Act of 2022, student education loan servicers must now obtain licensure in Kentucky. The Department of Financial Institutions (DFI) is charged with providing regulatory oversight of these servicers, including the administration and renewal of licensure. DFI is now accepting license applications.

Who needs a license?

“Student education loan servicing,” according to statute, means participating in:

- Receiving and/or applying payments from a borrower to their account.
- Receiving notification that a borrower made a scheduled payment.
- Maintaining loan account records.
- Communication with the borrower concerning their loan payments.

A person engaged in the business of servicing student education loans within Kentucky will need to be licensed by DFI. By requiring licensure, standards are established to maintain accurate records, and prevent unfair, deceptive, or predatory practices against Kentuckians. See [KRS 286.12-010](#) and [808 KAR 16:010](#) for more information and complete definitions.

Certain exemptions are set forth in statute which do not require licensure. A comprehensive list of those exemptions can be found in [KRS 286.12-020](#).

How to apply

All student education loan servicers must use the [Nationwide Multistate Licensing System & Registry](#) (NMLS) for licensing and registration. Applicants must submit their:

- License application.
- Surety bond.
- \$5,000 initial application and license fee (covers the principal office and any branches).
- Any other documents, if applicable.

“We are here to make the licensing process as seamless as possible,” said Jessica Sullivan, DFI’s non-depository division assistant director. “I understand there will be a lot of questions from those in the industry who find themselves needing a license for the first time. The team at DFI can answer questions the public may have and provide assistance.”

More information about the licensure process can be found at [KFI.ky.gov](#) by clicking on “Non-Depository” and then “Student Education Loan Servicers.” Interested parties should review [Kentucky Revised Statutes 286.12](#) and [Kentucky Administrative Regulation Title 808, Chapter 16](#) for more information about student education loan servicing, licensing, and protection. Assistance

with NMLS is available through a national call center at (855) 665-7123.

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DFI is an agency in the Public Protection Cabinet, and supervises the financial services industry by examining, chartering, licensing, and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.