

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians*

Jan Lynn Owen
Commissioner of Business Oversight

By Email

June 22, 2018

Ms. Hiruth Haile
Senior Compliance Officer, Corporate Compliance
Nelnet, Inc.
Hiruth.haile@nelnet.net

Re: *Great Lakes Student Loan Servicing Activities*

Dear Ms. Haile:

I write to respond to your June 15, 2018 email, in which you advised that “Great Lakes servicing activities are limited to federal loans owned by the U.S. Department of Education, and therefore not subject to California’s licensing regulation.” Your email also references the U.S. Department of Education’s “Notice,” which you state sets forth the “position that federal law preempts any state regulation of student loan servicers.”

I am seeking clarification of these statements. As you may know, the issue of whether state licensing and regulation of federal student loan servicers are preempted by federal law is currently being litigated in other jurisdictions.

In California, we are not aware of a court finding that any specific licensing requirement of the Student Loan Servicing Act (Financial Code Section 28100 et seq.) (hereafter, Act) is or will be preempted by any federal law.

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(916) 445-7205

One Sansome Street, Suite 600
San Francisco, CA 94104-4428
(415) 972-8565

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

45 Fremont Street, Suite 1700
San Francisco, CA 94105
(415) 263-8500

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013
(213) 897-2085

7575 Metropolitan Drive, Suite 108
San Diego, CA 92108
(619) 682-7227

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To the extent you believe that a specific licensing requirement under the Act is preempted by federal law, please identify the Act's provision setting forth the requirement and the specific federal law you claim preempts it.

I look forward to receiving your response on or before June 29, 2018.

Sincerely,

JAN LYNN OWEN
Commissioner
Department of Business Oversight

By 

Melinda Lee
Student Loan Servicing Program Manager
(916) 838-8992