

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

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Return Address: 8660 United Plaza Blvd.,  
2nd Floor  
Baton Rouge, LA 70809 Rule Title: Private Education Lender Registry  
(LAC 10:XV.2001-2015)

Date Rule Takes Effect: Upon Promulgation

**SUMMARY  
(Use complete sentences)**

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

In compliance with Act 715 of the 2022 Regular Legislative Session, the Office of Financial Institutions (OFI) proposes to adopt Chapter 20 Private Education Lender Registry of Title 10 of the Louisiana Administrative Code. Act 715 provides that private education lenders shall report certain information to OFI; OFI shall publish this information online for public inspection. Therefore, the rule provides definitions and registration guidelines, including initial registration and renewals.

The cost to OFI to implement the provisions of this rule is estimated to be \$44,567 in FY 24, \$51,946 in FY 25, and \$57,097 in FY 26.

|   | FY 24            | FY 25            | FY 26            |
|---|------------------|------------------|------------------|
| Salary and benefits                       |                  |                  |                  |
| .25 FTE Examiner 3                        | \$ 14,865        | \$ 31,668        | \$ 34,258        |
| .25 FTE Licensing Analyst 1               | \$ 10,489        | \$ 20,278        | \$ 22,839        |
| Computer equipment                        | \$ 4,000         |                  |                  |
| Programming cost for system modifications | \$ 15,213        |                  |                  |
| <b>Total</b>                              | <b>\$ 44,567</b> | <b>\$ 51,946</b> | <b>\$ 57,097</b> |

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed rule authorizes OFI to charge the following fees (1) \$1,500 for initial registration, (2) \$1,000 for annual renewal registration, and (3) \$500 for late renewal registration. OFI anticipates 10 initial registrants in FY 24 and 5 new registrants per year in subsequent years. These fees are anticipated to generate approximately \$15,000 in FY 24, \$18,500 in FY 25, and \$23,500 in FY 26. Beginning in FY 25, anticipated fees include an average of two late fees assessed on registration per year.

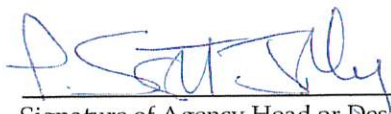
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III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Private education lenders will incur an initial fee of \$1,500 to register and an annual renewal fee of \$1,000. If the lender is late to renew, they will also incur a late fee of \$500.


IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Implementation of this proposed rule is not expected to have an effect on competition and employment.

  
\_\_\_\_\_  
Signature of Agency Head or Designee

P. Scott Jolly, Commissioner  
\_\_\_\_\_  
Typed Name & Title of Agency Head or Designee

1/3/24  
\_\_\_\_\_  
Date of Signature

  
\_\_\_\_\_  
Legislative Fiscal Officer or Designee  
Patricia Korman, Deputy Fiscal Officer

1/09/2024  
\_\_\_\_\_  
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT  
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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The rule provides definitions and registration guidelines, including initial registration and renewals related to the Private Student Loan Registry Act.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

Adoption of the proposed rule will provide for implementation of the provisions of Chapter 24, pursuant to R. S. 6:1421 of the Private Student Loan Registry Act (Act) regarding the registration and regulation of those persons engaging in business as a private education lender. Private education lenders are persons who engage in the business of securing, making, or extending a private education loan, or any holder of a private education loan.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule result in any increase in the expenditure of funds? If so, specify amount and source of funding.

Yes. Adoption of the proposed rule will result in an increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b)   X   NO. If no, provide justification as to why this rule change should be published at this time.

The increase in cost will be partially funded through the increase in self-generated revenue. The remainder will be absorbed by the agency.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

| <b>COSTS</b>            | <b>FY 24</b>    | <b>FY 25</b>    | <b>FY 26</b>    |
|-------------------------|-----------------|-----------------|-----------------|
| Personal Services       | \$25,354        | \$51,946        | \$57,097        |
| Operating Expenses      | \$0             | \$0             | \$0             |
| Professional Services   |                 |                 |                 |
| Other Charges           | \$15,213        | \$0             | \$0             |
| Equipment               | \$4,000         | \$0             | \$0             |
| Major Repairs & Constr. | \$0             | \$0             | \$0             |
| <b>TOTAL</b>            | <b>\$44,567</b> | <b>\$51,946</b> | <b>\$57,097</b> |
| <b>POSITIONS (#)</b>    | <b>.5</b>       | <b>.5</b>       | <b>.5</b>       |

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

**FY 2023-2024**

Examiner III (.25 FTE for 1/2 FY = .125 FTE) - \$9,279 (salary) + \$5,586 (employee benefit) = \$14,865

Licensing Analyst 1 (.25 FTE for 1/2 FY = .125 FTE) - \$6,183 (salary) + \$4,306 (employee benefit) = \$10,489

Computer Equipment-\$4,000

Programming Costs for System Modifications -\$15,213

Total Dollar Amount of Expenditures=\$44,567

To establish the Student Loan Registry program, an Examiner 3 (.25 FTE) and a Licensing Analyst (.25 FTE) would be needed each year after FY 23-24. For FY 23-24, because it is anticipated that OFI will not receive applications until mid FY 23-24, costs were calculated for 1/2 of each FTE noted in the previous sentence. The estimates include \$15,462 for salaries, \$9,892 for employee benefits (employer's portion of insurance and employer's portion of retirement, which includes the regular retirement plus the unfunded accrued liability), \$15,213 for OFI system modifications, and \$4,000 for computer equipment issued to OFI employees.

**FY 2024-2025**

Expenditures projections include estimated salaries, related benefits, and market adjustments for .25 FTE for the Examiner III and .25 FTE for the Licensing Analyst.

**FY 2025-2026**

Expenditures projections include estimated salaries, related benefits, market adjustments, and reallocations for .25 FTE for the Examiner III and .25 FTE for the Licensing Analyst.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

3. Sources of funding for implementing the proposed rule or rule change.

| <b>SOURCE</b>                   | <b>FY 24</b>    | <b>FY 25</b>    | <b>FY 26</b>    |
|---------------------------------|-----------------|-----------------|-----------------|
| State General Fund              | \$0             | \$0             | \$0             |
| Agency Self-Generated Dedicated | \$44,567        | \$51,946        | \$57,097        |
| Federal Funds                   | \$0             | \$0             | \$0             |
| Other (Specify)                 | \$0             | \$0             | \$0             |
| <b>TOTAL</b>                    | <b>\$44,567</b> | <b>\$51,946</b> | <b>\$57,097</b> |

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes. OFI currently has sufficient funds to implement the proposed rule.

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

OFI anticipates no cost or savings to local governmental units resulting from the proposed rule.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

| REVENUE<br>INCREASE/DECREASE | FY 24           | FY 25           | FY 26           |
|------------------------------|-----------------|-----------------|-----------------|
| STATE GENERAL FUND           | \$0             | \$0             | \$0             |
| AGENCY SELF-GENERATED        | \$15,000        | \$18,500        | \$23,500        |
| DEDICATED                    | \$0             | \$0             | \$0             |
| FEDERAL FUNDS                | \$0             | \$0             | \$0             |
| LOCAL FUNDS                  | \$0             | \$0             | \$0             |
| <b>TOTAL</b>                 | <b>\$15,000</b> | <b>\$18,500</b> | <b>\$23,500</b> |

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

**FY 2023-2024**

Average # of new application fees per year 10 X \$1,500 = \$15,000  
 Average # of renewal fees per year 0 X \$1,000 = \$0  
 Average # of renewal late fees per year 0 X \$500 = \$0  
 Total Dollar Amount of Revenue = \$15,000

**FY 2024-2025**

Average # of new application fees per year 5 X \$1,500 = \$7,500  
 Average # of renewal fees per year 10 X \$1,000 = \$10,000  
 Average # of renewal late fees per year 2 X \$500 = \$1,000  
 Total Dollar Amount of Revenue = \$18,500

**FY 2025-2026**

Average # of new application fees per year 5 X \$1,500 = \$7,500  
 Average # of renewal fees per year 15 X \$1,000 = \$15,000  
 Average # of renewal late fees per year 2 X \$500 = \$1,000  
 Total Dollar Amount of Revenue = \$23,500

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

- A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Private education lenders will incur an initial fee of \$1,500 to register and an annual renewal fee of \$1,000. If the lender is late to renew, then they will incur a late fee of \$500.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Not applicable.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

There is no estimated impact on competition and employment.