

STATE OF NEBRASKA
Department of Banking & Finance

In the Matter of the Application of)
)
College Ave Student Loan Servicing, LLC)
233 North King Street)
Suite 400)
Wilmington, Delaware)
)
For an Installment Loan License)

FINDINGS OF FACT
CONCLUSIONS OF LAW
AND ORDER

NMLS No. 1263410

THIS MATTER comes before the Nebraska Department of Banking and Finance (“Department”) upon the application of College Ave Student Loan Servicing, LLC, 233 North King Street, Suite 400, Wilmington, Delaware (“Applicant”), for a license under the Nebraska Installment Loan Act, Neb. Rev. Stat. §§ 45-1001 to 45-1070 (Reissue 2021).

A virtual hearing was held on this matter on January 10, 2023. Department Legal Counsel Tom Vergith was the Hearing Officer. Chief Compliance Officer Joe Grieco and Outside Legal Counsel Amy Greenwood-Field represented and testified on behalf of Applicant. Representing the Department was Staff Attorney Bryce Miller. Attending from the Department were General Counsel Patricia Herstein, Review Examiner Scott Peter, and Executive Assistant Sandra Blumanhourst. This hearing was transcribed by a Court Reporter.

Being fully advised in the matter, the Department, by and through its Director, makes the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. On October 12, 2022, Applicant submitted an application to the Department pursuant to Neb. Rev. Stat. § 45-1005 (Reissue 2021) for a license under the Nebraska Installment Loan Act (“Installment Loan License”). In accordance with Neb. Rev. Stat. § 45-1033.01 (Reissue 2021), Applicant submitted the Installment Loan License application through the Nationwide Mortgage Licensing System and Registry (“NMLS”). The Department accepted the application for filing as being substantially complete on November 9, 2022.

2. Applicant identified its office at 233 North King Street, Suite 400, Wilmington, Delaware, as the location at which it will be conducting business under the Installment Loan License.

3. Pursuant to Neb. Rev. Stat. § 45-1006 (Reissue 2021), notice of the hearing was published in the Omaha World-Herald on November 25, 2022, December 2, 2022, and December 9, 2022.

4. Notice of the hearing was published on the State of Nebraska’s Electronic Public Meeting Calendar.

5. No objections, protests, or comments to the application were filed with the Department, and no person appeared at the hearing in opposition to the application.

6. The experience, character, and general fitness of Applicant and that of its officers and directors are such as to warrant a reasonable belief that the business would be operated honestly, fairly, and efficiently within the purposes of the law.

7. Allowing Applicant to engage in business will promote the convenience and advantage of Nebraska consumers.

8. The Applicant provided information regarding the fees, charges, and rates which the Applicant proposes to use in its installment loan business.

9. Applicant, at the hearing, described its business as a financial technology company that partners with banks to offer point-of-sale installment loans through a website. Applicant stated that it does not make loans to consumers and described its marketing and other forms of participation in installment loans. Applicant also states that it subcontracts out the day-to-day servicing to sub-servicers but maintains master servicer functions on the loans. The prospective customers are located throughout Nebraska.

10. Applicant is registered or licensed, or has applied to be registered or licensed, in various states to offer consumer credit.

11. Applicant stated that it does not originate loans and its bank partners are exempt from the rate set forth in Neb. Rev. Stat. § 45-1024 (Reissue 2021).

12. Applicant has paid all application fees required by Neb. Rev. Stat. § 45-1005 (Reissue 2021) and the publication costs required by Neb. Rev. Stat. § 45-1006 (Reissue 2021), and has posted the bond required by Neb. Rev. Stat. § 45-1007 (Reissue 2021).

CONCLUSIONS OF LAW

1. The decision to grant or deny an application for an Installment Loan License to engage in business under the Nebraska Installment Loan Act must be based upon the facts and circumstances known to the Department and applicable law. Applicant will operate no other business than an Installment Loan business at the 233 North King Street, Suite 400, Wilmington, Delaware office location.

2. Neb. Rev. Stat. § 45-1009 (Reissue 2021) provides that the Department shall approve or deny every application for license under Section 45-1008 within ninety days after the filing of a substantially completed application.

3. Neb. Rev. Stat. § 45-1008 (Reissue 2021) provides that the Director may approve an application for an installment loan license under the Nebraska Installment Loan Act if, upon investigation, the Director finds (1) the experience, character, and general fitness of the applicant and its officers, directors, shareholders, partners, or members are such as to warrant the belief that the applicant will conduct the installment loan business honestly, fairly, and efficiently within the purposes of the Nebraska Installment Loan Act; and (2) allowing such applicant to engage in business will promote the convenience and advantage of the community in which the applicant's business is to be conducted.

4. 49 NAC 3.004.07 provides that an applicant for an installment loan license must show to the Department that allowing it to engage in business will promote the convenience and advantage of the community in which it proposes to conduct business. In making the determination, the Department will consider, among other things: (1) the convenience of the locations of any existing licensees to residents of the area compared to the convenience of the applicant's proposed location; (2) the number of persons in the area who desire to use the services of the applicant and the amount of business they would generate; (3) the benefits and advantages to the community offered by the applicant or which result if the application is approved; and (4) the services, products, fees, charges, and rates which the applicant proposes in connection with the business.

5. Based on Finding of Fact No. 6, the Department concludes that the requirements of Neb. Rev. Stat. § 45-1008 (Reissue 2021) as to the experience, character, and general fitness of the Applicant are met.

6. Based on Findings of Fact Nos. 7-9, inclusive, and 11, the Department concludes that the requirements of Neb. Rev. Stat. § 45-1008 (Reissue 2021) and 49 NAC 3.004.07 as to public convenience and advantage have been met.

7. Neb. Rev. Stat. § 45-1011 (Reissue 2021) provides that an installment loan licensee shall not conduct its business within any office, room, or place of business in which any other business is solicited or engaged in, if, in the judgment of the Director of the Department, the other business is of a nature that the conducting of such business will tend to conceal evasion of the Nebraska Installment Loan Act.

8. Based on Finding of Fact No. 9, the Department concludes that the Applicant would operate no other business other than the installment loan business at the 233 North King Street, Suite 400, Wilmington, Delaware office location, and would therefore meet the requirements of Section 45-1011.

9. The Nebraska Installment Loan Act authorizes licensees to make loans subject to certain fixed credit terms. Those fixed credit term periods are limited to thirty-six months or one hundred forty-five months depending on the type of the loan (See, Neb. Rev. Stat. § 45-1024(1) (Reissue 2021) and Neb. Rev. Stat. § 45-1025(3) (Reissue 2021)). However, Applicant does not make or originate loans, but is a financial technology company whose bank partners are exempted from such requirements. Based on Findings of Fact Nos. 9 and 11, the Applicant would meet the requirements of Sections 45-1024 and 45-1025.

ORDER

IT IS THEREFORE ORDERED that the application of College Ave Student Loan Servicing, LLC, 233 North King Street, Suite 400, Wilmington, Delaware, for a license under the Nebraska Installment Loan Act, be, and hereby is, approved, subject to the following condition:

1. Applicant shall pay the costs of the hearing on this matter within thirty (30) days after receipt of billing from the Department. No license shall be issued until such payment is received by the Department.
2. The issued license shall be for the year 2023 and subject to renewal for each year thereafter.

DATED this 6th day of February, 2023.



**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

DocuSigned by:

Kelly Lammers

By:

81A8ACE4898B41D...

Kelly Lammers, Director

1526 K Street, Suite 300
Lincoln, Nebraska 68508
(402) 471-2171

CERTIFICATE OF SERVICE

I certify that on this 6th day of February, 2023, I served the foregoing **Order Granting Installment Loan Company License** electronically to College Ave Student Loan Servicing, LLC, at jgrieco@collegeave.com.

DocuSigned by:

Bryce Miller

CF5176B39BB2432...

Bryce Miller, No. 27475
Nebraska Department of Banking and Finance
1526 K Street, Suite 300
Lincoln, Nebraska 68508
(402) 471-2171

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Sandra Blumanhourst

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Kelly Lammers

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Director

Department of Banking and Finance

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Staff Attorney

Nebraska Department of Banking and Finance

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College Ave Student Loan Servicing, LLC

jgrieco@collegeave.com

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<p>Darcy L. Bailar Darcy.Bailar@nebraska.gov Deputy Director - Financial Institutions Banking and Finance Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 12/31/2019 4:08:37 PM ID: f57c2a79-2fc7-4c87-abc2-4b6006b68928 Company Name: Nebraska Department of Banking and Finance</p>	COPIED	Sent: 2/6/2023 3:45:03 PM
<p>Patricia A. Humlicek Herstein Patricia.Herstein@nebraska.gov Agency General Counsel Nebraska Department of Banking and Finance Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 1/2/2020 9:46:14 AM ID: 7d059305-49d9-458f-849f-d2045fc24b7f Company Name: Nebraska Department of Banking and Finance</p>	COPIED	<p>Sent: 2/6/2023 3:45:03 PM</p> <p>Viewed: 2/6/2023 9:11:16 PM</p>
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Nebraska Department of Banking and Finance

1526 K Street

Suite 300

Lincoln, NE 68508

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