

**§16-105. Disability; discharge of liability**

**1. Notification of total and permanent disability.** A private education lender, when notified of the total and permanent disability of a borrower or cosigner of a cosigned private education loan, shall release a cosigner from the obligations of the cosigner under the loan. The lender may not attempt to collect a payment from a cosigner following a notification of total and permanent disability of a cosigner or borrower. A private education lender shall, when notified of the total and permanent disability of a borrower, discharge the liability of the borrower and cosigner on the loan.  
[PL 2021, c. 357, §2 (NEW).]

**2. Notification of release.** If either a cosigner or a borrower is released from the obligations of a cosigned private education loan under this section, the private education lender shall notify the borrower and cosigner within 30 days of the release.  
[PL 2021, c. 357, §2 (NEW).]

**3. Legal authority to act on behalf of borrower.** A private education lender that extends a cosigned private education loan shall provide the borrower an option to designate an individual to have the legal authority to act on behalf of the borrower with respect to the private education loan in the event of the total and permanent disability of the borrower.  
[PL 2021, c. 357, §2 (NEW).]

**4. Cosigner release.** If a cosigner is released from the obligations of a cosigned private education loan pursuant to subsection 1, the private education lender may not require the borrower to obtain another cosigner on the loan.  
[PL 2021, c. 357, §2 (NEW).]

**5. Prohibition on default or acceleration of loan.** A private education lender may not declare a default or accelerate the debt against a borrower on the sole basis of a cosigner release under subsection 1.  
[PL 2021, c. 357, §2 (NEW).]

**6. Prohibited activities after notice of disability of borrower.** After receiving a notification of a borrower's total and permanent disability under subsection 1, the private education lender may not:

A. Attempt to collect on the outstanding liability of the borrower or cosigner; or [PL 2021, c. 357, §2 (NEW).]

B. Monitor the disability status of the borrower at any point after the date of discharge of liability.  
[PL 2021, c. 357, §2 (NEW).]

[PL 2021, c. 357, §2 (NEW).]

**SECTION HISTORY**

PL 2021, c. 357, §2 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.