§ 711. Licensing. 1. Except as provided in subdivisions two, three, and four of this section, no person shall engage in the business of servicing student loans owed by one or more borrowers residing in this state without first being licensed by the superintendent as a student loan servicer in accordance with this article and such regulations as may be prescribed by the superintendent.

2. The licensing provisions of this article shall not apply to any exempt organization that is a student loan servicer; provided that, unless preempted by federal law, such exempt organization shall notify the superintendent that it is servicing student loans in this state and complies with sections seven hundred seventeen, seven hundred nineteen, seven hundred twenty-one, seven hundred twenty-three and seven hundred twenty-five of this article and article nine of the financial services law and any regulation applicable to student loan servicers promulgated by the superintendent.

3. Any person that services federal student loans owed by one or more borrowers residing in this state shall be automatically deemed by operation of law to have been issued a license to service federal student loans by the superintendent as of April first, two thousand nineteen. Such person shall notify the superintendent that it is servicing federal student loans in this state and comply with sections seven hundred seventeen, seven hundred nineteen, seven hundred twenty-one, seven hundred twenty-two, seven hundred twenty-three and seven hundred twenty-five of this article and any regulation applicable to student loan servicers promulgated by the superintendent. The provisions of sections thirty-three, thirty-nine, and forty-four of this chapter shall also apply to such person. The license automatically issued pursuant to this section shall only authorize the servicing of federal student loans. A person that services both federal student loans and non-federal student loans shall be required to be licensed pursuant to subdivision one of this section and sections seven hundred twelve and seven hundred thirteen of this article in order to be authorized to service non-federal student loans unless such person is also an exempt organization.

4. A person, other than an exempt organization, that services federal student loans owed by one or more borrowers residing in this state and that is not otherwise required to be licensed under this section shall notify the superintendent that it is servicing federal student loans in this state and shall comply with sections seven hundred seventeen, seven hundred nineteen, seven hundred twenty-one, seven hundred twenty-two, seven hundred twenty-three, and seven hundred twenty-five of this article and any regulations applicable to student loan servicers promulgated by the superintendent.