



Please support the Student Loan Borrower Bill of Rights In the Final Economic Development Bill

Thursday September 10th, 2020

Dear Senator Lesser, Senator Rodrigues, Senator O'Connor, Representative Michlewitz, Representative Ferrante, and Representative Wong,

On behalf of student leaders in the Commonwealth, we urge to include the Student Loan Borrowers Bill of Rights included in S.2874 (and H. 3977 which was reported favorably from the Financial Services Committee) in the final conference report for "An Act Enabling Partnerships for Growth."

The Student Loan Borrower Bill of Rights will protect student loan borrowers from unfair, predatory, and deceptive practices of student lending and loan servicing companies. The need for these protections is even greater today as we struggle with the hardships associated with containing the spread of COVID 19.

Student Loan Borrower Bill of Rights

The cost of college tuition has skyrocketed and ever-increasing numbers of students and their families are driven to seek student loans to pay for it. Data collected by the Institute for College Access and Success shows that in Massachusetts last year, nearly two-thirds of students in an undergraduate program graduated with student debt. This debt amounted to \$32,000 thousand dollars per student on average. Consequently, Massachusetts students have the 7th highest average student debt in the nation, according to the Institute. The level of debt is also skyrocketing, according to the Student Borrower Protection Center, student debt in Massachusetts has shot up 107% in the 10 years between 2007 and 2017. In Massachusetts we have 855,500 student loan borrowers with a collective \$33 billion in outstanding debt. Nationally, there is \$1.5 trillion in outstanding student loan debt.

Some student loan servicers take advantage of student borrowers by using predatory lending methods that are illegal or unfair, charging exorbitant fees, misrepresenting their products to students, botching paper work, failing to properly process paper work or misleading them into opting for more expensive options. Further, servicers often fail to inform or properly administer income-based repayment options or programs to relieve debt in exchange for working on public service – a program borrowers are legally entitled to. When students can't pay, they may threaten, coerce or harass the borrowers. According to the Consumer Financial Protection Bureau (CFPB), almost two-thirds of the complaints filed by student borrowers last year were related to problems with loan servicing.

Despite the size of the industry, the history of complaints, and the massive size of both the debt and number of borrowers – we have very little consumer protections in place. In fact, under the current Federal Administration, the Consumer Financial Protection Bureau has significantly reduced their oversight and role in this area, leaving borrowers vulnerable and without necessary protection from the unfair practices by the loan servicers exposed by the CFPB.

The Student Loan Borrowers Bill of Rights will protect student borrowers by:

1. Requiring the Division of Banks to license all student loan servicers, holding them accountable for deceptive practices under state law.
2. Establishing a Student Loan Ombudsman office who will receive, review, and assist in resolving complaints. This office will be critical in spotting and evaluating unfair and deceptive trends and practices enabling regulators to end the practice and to protect borrowers.
3. Allows the Division of Banks to conduct investigations and examinations of student loan servicing practices.

Similar bills have been passed in CT, IL, CA, WA, NY, CO and Washington D.C.

Now more than ever, it is critical that we defend students from unscrupulous loan servicers. The need for state oversight could not be more urgent. Please include the Student Loan Borrower Bill of Rights in your final conference report.

Sincerely,

Adedolapo Adeniyi	Boston University	Inner Strength Gospel Choir (ISGC) Treasurer
Adele Secrest	UMass Amherst	Plant based nutrition club President
Alex DeSilva	UMass Amherst	UMass Women's Ultimate Frisbee Captain
Audrey Bergeron	UMass Lowell	Women's Club Rugby Captain and President
Baiden Wright	Boston University	BU On Tap Secretary
Brendan Geraghty	UMass Amherst	MASSPIRG, Statewide Board Chair
Caroline Clark	UMass Amherst	SAAC, Cross Country/track teams Senior Representative
Catherine Terrell	UMass Amherst	Women's Ultimate Frisbee Captain
Crystal Wojcik	MA College Of Liberal Arts	Student Activities Council President
David Benjamin Levine	UMass Lowell	Student Government Association Chair, Public Relations/Campus Events
Debby Fernand	UMass Lowell	River Hawk Scholars Academy Team Leader
Emily Vitale	Fitchburg State	MASSPIRG Chapter Chair
Fiona Hil	UMass Amherst	UMass Forestry Club President
Florentine Overko	UMass Lowell	Residence Hall Association National Communications Coordinator
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Izzy Oehlerich	Clark University	MASSPIRG Club President
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James Leavitt	UMass Boston	College Republicans President
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Kate Murray	Mount Holyoke College	Mount Holyoke College Votes Coordinator
Kays Laouar	UMass Amherst	MASSPIRG Vote Captain
Kiki Bekkum	UMass Dartmouth	Model United Nations President
Kristina Lauranzano	Salem State University	MASSPIRG Campaign Coordinator
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Maggie Meehan	Williams College	MASSPIRG Student Coordinator
Maxwell Fisher	Boston University	MASSPIRG Coalition Chair
Maya Correia	UMass Boston	Strong Women Strong Girls Co-Chapter Director
McKenzie Saunders	MassBay Community College	MASSPIRG Chapter Chair
Melissa Meltzer	UMass Amherst	Sunrise UMass Amherst Hub Delegate
Monica Kong	UMass Lowell	River Hawk Scholars Academy Team Leader
Nicholas Adams	UMass Boston	College Democrats President
Nicole Erickson	Westfield State University	MASSPIRG Chapter Chair
Olivia Houle	UMass Lowell	MASSPIRG Environmental Campaigns Coordinator
Olivia Price	UMass Amherst	MASSPIRG Chapter Chair
Parker Hoover	UMass Amherst	Spikeball Club Vice president
Rachel Freedman	Tufts	Model United Nations Conference Treasurer
Rosemary Louro	UMass Lowell	Student Government Association Senator and RHA Director
Salena Mam	Middlesex Community College	MASSPIRG Chapter Leader
Salvatore Albano	UMass Boston	Men's Tennis Team Captain
Samuel Okon	UMass Boston	African Student Union Public Relations Officer
Silver Wolf	UMass Boston	MASSPIRG Chapter Chair
Sophia Boucher	North Shore Community College	MASSPIRG Chapter Chair
Taonga Horace	UMass Dartmouth	MASSPIRG & UMass Dartmouth Vote Coalition Vote Captain
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