Congress of Connecticut Community Colleges
SEIU Local 1973

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Public Hearing
March 5, 2014

Members of the Banking Committee

Senate Bill 950: AN ACT ENABLING THE REFINANCING OF STUDENT LOANS &
House Bill 6915: AN ACT CONCERNING A STUDENT LOAN BILL OF RIGHTS

The Congress of Connecticut Community Colleges (the 4Cs) is a labor union representing community college professors, librarians, counselors and non-managerial administrators. Many of the students we serve struggle to afford a college education. The 4Cs has been actively involved in issues of higher education affordability and student loan debt for many years; our organization has supported college foundations with direct fund raising support to assist students, donated to support scholarships by organizations such as Latino and Puerto Rican Affairs Commission as well as the International Scholarship Program, and advocated on issues surrounding student debt as part of Higher Ed, Not Debt CT.

However, many students need to take out loans to pay for college, and the amount of student loan debt is on the rise. For instance, a March 2014 report from the Institute for College Access & Success stated that in 2012 "at public colleges, average debt was $25,550 — 25% higher than in 2008, when the average was $20,450" (http://projecton-studentdebt.org/files/pub/Debt_Facts_and_Sources.pdf). S.B. 950 and H.B. 6915 will go a long way in helping Connecticut's citizens, and we strongly support their passage.

S.B. 950, *An Act Enabling the Refinancing of Student Loans*, would allow individuals to refinance student loans through the Connecticut Higher Education Supplemental Loan Authority (CHESLA). This is not currently available and could be of great assistance to many struggling with debt. The proposed language allows for students and/or parents to refinance debt if they have a loan through CHESLA, if they attended higher education in Connecticut, or if they currently reside in Connecticut. We hope that the refinancing terms make refinancing easily accessible for everyone, even for persons with less than perfect credit. The student debt crisis places many people in situations where they are struggling to pay all their bills. Those with less than perfect credit may need the ability to refinance their student loans the most.

H.B. 6915, *An Act Concerning a Student Loan Bill of Rights*, proposes to make clear the rights of those who carry student loan debt. It would require the Department of Banking to create a student loan ombudsman position, which will review and resolve complaints from borrowers and work to resolve these complaints through working with institutions of higher education as well as educational loan servicers. Further, the Ombudsman would be able to provide information to the public, legislators and other interested parties regarding the problems and concerns of student borrowers and make recommendations on how to resolve ongoing issues. It would also create an educational loan education program that will be made available to institutions of higher education. The program will include education on key loan terms, documen-

tation requirements, monthly payment obligations, income- repayment options, loan forgiveness options, disclosure requirements and all other information that this new office deems relevant. The bill also allows the department of banking to license all student loan servicers operating in the state. We strongly support the creation of a student loan bill of rights as proposed. This legislation would not only serve the borrowers well, but it will also provide a means for the state to obtain better identify problems and resolve issues relating to student loans and loan servicers.

Thank you for your consideration of our comments.

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