



Connecticut Working Families Organization
30 Arbor Street, Hartford, CT 06106
Workingfamilies.org/Connecticut
(860) 523-1699

March 5th, 2015

Re: Testimony in favor of SB 950 AA Enabling the Refinancing of Student Loans and HB 6915 AAC a Student Loan Bill of Rights

Testimony from Lindsay Farrell, Connecticut state director of the Working Families Organization.

Senator Winfield, Representative Lesser, Senator Bartolomeo, Representative Willis, distinguished ranking members and the members of the Higher Education and Employment Advancement, and Banking Committees:

The Working Families Organization organizes on behalf of working and middle class families on social and economic justice issues. We have historically advocated for laws and policies that improve the quality of life of workers and their families — good wages, affordable healthcare, workplace protections and the right to collectively bargain. We believe in a world in which one's life-chances are not determined at birth, and that requires access to a higher education without a lifetime of debt.

We would like to support two bills to free students, former students, and their families from unmanageable amounts of debt.

SB 950 AA Enabling the Refinancing of Student Loans

This legislation allows any individual with a loan from CHESLA to refinance their loan so that it is easier for them to pay it back. Graduates and former students who are overly-burdened by high interest rates and large amounts of student debt are unable to fully participate in our economy; they take jobs based on income potential instead of their skills and passions they have to offer; they do not buy homes or cars; they are unable to spend disposable income at local businesses; they cannot save for retirement; and in many other ways they are restricted from financial activity.

The proposed legislation would allow any student with an educational loan who has attended or is attending a higher education institution in Connecticut, or their parent, to refinance their loan through the Connecticut Higher Education Supplemental Loan Authority.

We would like to encourage that language be added that refinancing terms should not be too stringent. It should make refinancing easily accessible even for persons with less than perfect credit.

HB 6915 AAC a Student Loan Bill of Rights

The student loan business has, in many ways, become as profit-driven and unaccountable as some of the worst operators on Wall Street. Baited by the noble prospect of a higher education and the opportunities that a degree can open up, potential students and their families are frequently sold financing products that exploit them and leave them with unmanageable debt in the future.

This legislation creates an advocate for consumers in the Department of Banking who can protect students and their families against greedy financiers, and will help to:

- Assist borrowers in ensuring that they understand their rights and responsibilities under the terms of educational loans.
- 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.
- Analyze and monitor federal, state and local laws that are related to student loans.
- Create an educational loan education program that will be made available to institutions of higher education.

We urge passage of both these bills. Thank you.