

CHESLA

CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY

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**Testimony Presented to the
Higher Education and Employment Advancement Committee
and
Banking Committee
JOINT PUBLIC HEARING**

**March 5, 2015
Concerning Raised Bill No. 6915
AN ACT CONCERNING A STUDENT LOAN BILL OF RIGHTS
(In Support)**

**Presented by
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Authority (“CHESLA”)
Managing Director, Connecticut Health and Educational Facilities Authority
(“CHEFA”)**

Good afternoon Representatives Willis and Lesser, Senators Bartolomeo and Winfield and distinguished committee members. My name is Jeanette W. Weldon and I am here speaking on behalf of the Connecticut Higher Education Supplemental Loan Authority (“CHESLA”, a subsidiary of the Connecticut Health and Educational Facilities Authority) to offer testimony in support of Raised Bill No.6915, “An Act Concerning a Student Loan Bill of Rights”.

CHESLA is a quasi-public agency, whose mission is to expand higher education opportunities for students in or from the state of Connecticut by offering those students a cost-effective financing alternative that can augment their other sources of financial aid. CHESLA obtains funds to make education loans through the issuance of State supported bonds in the public bond market. CHESLA uses student loan repayments to pay debt service on its bonds.

We support the establishment of a Student Loan Ombudsman, as proposed by Bill 6915. We believe that an Ombudsman will provide additional support to Connecticut students and enhance their financial literacy. Although other student loan ombudsman offices exist (at the federal level, for example, for federal student loans and through the Consumer Financial Protection Bureau created by the Dodd- Frank Act) we believe that having a designated Connecticut office will make these services more accessible to students and their families.

Raised Bill 6915 also proposes a licensing requirement for loan servicers operating in Connecticut. We understand the need to monitor and have oversight of these entities and we support the Bill's objectives in that regard. We believe that Raised Bill 6915 can ultimately provide additional support and safeguards that will benefit student loan borrowers in Connecticut. We would be happy to provide technical assistance to help ensure a smooth implementation of the bill.

I thank the Committee for the opportunity to present this testimony and I would be happy to answer any questions you may have.

