



State of Connecticut

African-American Affairs Commission

State Capitol

210 Capitol Avenue – Room 509

Hartford, CT 06106

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Senator Winfield, Representative Lesser, Senator Bartolomeo, Representative Willis and other distinguished members of the Banking and Higher Education and Employment Advancement committee. My name is Subira Gordon and I am the legislative analyst for the African American Affairs Commission. Our commission along with various labor unions, community based organizations and advocacy groups make up the CT Higher Ed Not Debt Coalition. I would like to thank the committee for raising S.B. No. 950 AN ACT ENABLING THE REFINANCING OF STUDENT LOANS and H.B. No. 6915 (RAISED) AN ACT CONCERNING A STUDENT LOAN BILL OF RIGHTS.

A recent article in the Hartford Courant stated that Connecticut students carried the 6th highest student loan debt burden in the nation. The student debt problem is one of the biggest financial issues of my generation. There are many contributing factors to the student debt problem the rising cost of college, less need based grant money available and easily accessible student loans to name a few. While there is no silver bullet to solve the student debt problem HB 6915 will help many students who are thinking about taking out student loans, students who already have loans and may have questions or are struggling to make payments as well a families who need assistance navigating the student loan process. African American students are twice as likely to borrow money for college and borrow twice as much as their white counterparts. The urban institute also suggests that the decline in entrepreneurship is related to the heavy debt burden that individuals are carrying. The percentage of entrepreneurs between the ages of 20 and 34 has seen a steady decline over the last 20 years.

I commend the committee for including a student loan ombudsman position in this bill. News reports and articles highlight the problems and confusion borrowers sometimes face when attempting to repay their loans. The ombudsman will help resolve those problems. The Ombudsman will also 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.

- 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
- Create an educational loan education program which will be made available to institutions of higher education. The program will include education on key loan terms, documentation requirements, monthly payment obligations, income- repayment options, loan forgiveness options, disclosure requirements and all other information that this new office deems relevant.

Next I would like to support SB 950 which gives students and families the opportunity to refinance their loans through CHESLA. By relieving some of the financial burden that interest rates are causing, more individuals will be able to repay their loans and be able to have more financial stability and security.

I would like to thank you for the opportunity to testify.