



**CONNECTICUT STATE UNIVERSITY
AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS**

**Testimony of
Vijay Nair, President
Connecticut State University American Association of University Professors**

Banking Committee and Higher Education and Employment Advancement Committee
Joint Hearing
March 5, 2015

HB 6915 AN ACT CONCERNING A STUDENT LOAN BILL OF RIGHTS

Dear Chairman Winfield, Chairman Lesser, Chairwoman Bartolomeo, Chairwoman Willis and members of the Banking and Higher Education and Employment Advancement Committees:

My name is Vijay Nair and I am the President of the Connecticut State University American Association of University Professors (CSU-AAUP), which represents 3,100 full-time and part-time faculty, librarians, coaches and counselors at CSU. I am submitting my written testimony in support of HB 6915.

Student debt has quadrupled from \$240 billion in 2003 to more than \$1 trillion today and if current borrowing patterns continue, it will reach \$2 trillion by 2025, according to the think tank Demos <http://www.demos.org/what-cost-how-student-debt-reduces-lifetime-wealth>. As decreased funding to our state universities continues to increase tuition costs, student loan debt becomes a greater financial hardship for Connecticut residents.

With this high burden of debt comes debt management agencies and lenders that do not always have the best interests of the student borrowers in mind. There is a growing need to protect residents from lending and debt management companies that prey on student borrowers and their families.

The Department of Consumer Protection and the Office of the Attorney General warn residents of some unscrupulous companies that offer to lessen or manage debt while charging high up-front fees, recurring monthly charges and even falsely representing an affiliation with the United States Department of Education, while others offer more financing to students than what is actually needed to pay for education costs, saddling the students with even more debt. <http://www.ct.gov/ag/cwp/view.asp?Q=560124&A=2341>

HB 6915 will help Connecticut's student borrowers and their families understand the burden of debt they are undertaking and the options available to borrow and to pay back the loan. HB 6915 is the first step in helping student borrowers and their families understand more fully the student loan process and the implications upon graduation or leaving school. The bill also will ensure regulation of loan servicers in Connecticut so that the unscrupulous practices of the past will be fewer and far between if not eradicated all together.

Thank you for allowing me to submit my testimony on an issue that is of vital importance to so many in Connecticut. HB 6915 is a game changer and if passed stands to make a lasting impact on the lives of thousands of student borrowers and their families in Connecticut.

Vijay Nair