

2018 -- S 2974

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LC005896
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

SENATE RESOLUTION

RESPECTFULLY REQUESTING THAT THE OFFICE OF THE POSTSECONDARY
COMMISSIONER FORM A WORK GROUP TO CONDUCT A THOROUGH REVIEW INTO
HOW RHODE ISLAND CAN PROTECT STUDENT LOAN BORROWERS

Introduced By: Senators Gallo, Pearson, Sheehan, Satchell, and Metts

Date Introduced: June 14, 2018

Referred To: Senate Education

1 WHEREAS, Student loan debt in the United States totals approximately \$1.3 trillion; and

2 WHEREAS, The Federal Family Education Loan (FFEL) Program is a bank-based
3 federal loan program that is held by the Department of Education or guaranty agencies; and

4 WHEREAS, Nearly 7 million people with \$162 billion in FFEL loans are held by
5 guaranty agencies and almost half of the outstanding defaulted student debt is from the FFEL
6 program; and

7 WHEREAS, According to a report from the Consumer Federation of America, over one
8 million borrowers defaulted on their federal student loans in 2016, an increase of about fourteen
9 percent from 2015; and

10 WHEREAS, The United States Department of Education has removed protections for
11 student loan borrowers, including barring debt collectors from charging high fees, up to sixteen
12 percent of the principal and accrued interest, on past-due loans; and

13 WHEREAS, Rhode Island should proactively find state solutions for student loan
14 borrowers in Rhode Island because of the rollback of protections that such borrowers were
15 afforded by the federal government; now, therefore be it

16 RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations
17 hereby respectfully requests that the Office of the Postsecondary Commissioner form a work
18 group to conduct a thorough review into how Rhode Island can protect student loan borrowers
19 and to make recommendations on or before January 15, 2019, to the President of the Rhode

1 Island Senate and to the Speaker of the Rhode Island House of Representatives regarding student
2 loan protections. Such recommendations should consider the best agency to provide those
3 protections, and necessary statutory and regulatory amendments. The work group should include
4 the Treasurer's Office, the Office of the Attorney General, Rhode Island Student Loan Authority,
5 private student loan providers, members of the Rhode Island General Assembly, current and
6 former students with student loan debt, and other key stakeholders; and be it further

7 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
8 transmit duly certified copies of this resolution to Peter F. Kilmartin, Attorney General; Seth
9 Magaziner, General Treasurer; Dr. Brenda Dann Messier, Commissioner of Postsecondary
10 Education; William Foulkes, Chair of the Council on Postsecondary Education; and Charles E.
11 Kelley, Executive Director of the Rhode Island Student Loan Authority.

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