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, and Lombardo

Date Introduced: February 18, 2021

Referred To: Senate Education

WHEREAS, Outstanding education debt in the United States has tripled over the last decade. As of 2020, student loan debt in the United States totals approximately $1.67 trillion; and

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

WHEREAS, In Rhode Island, the average student loan debt is $31,781; and

WHEREAS, Nearly 7 million people with $138.57 billion in FFEL loans are held by guaranty agencies and almost half of the outstanding defaulted student debt is from the FFEL program; and

WHEREAS, Prior to the COVID-19 pandemic, the United States Department of Education had removed protections for student loan borrowers, including barring debt collectors from charging high fees, up to sixteen percent of the principal and accrued interest, on past-due loans; and

WHEREAS, On March 20, 2020, the office of Federal Student Aid began providing temporary relief due to the pandemic, however, how long those measures will continue is unknown; and

WHEREAS, Rhode Island should proactively find state solutions for student loan borrowers in Rhode Island because the rollback of protections that such borrowers are currently afforded by the federal government will not continue indefinitely; now, therefore be it

RESOLVED, That this Senate of the State of Rhode Island hereby respectfully requests
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 and to make recommendations on or before January 14, 2022, to the President of the Rhode Island Senate and to the Speaker of the Rhode Island House of Representatives regarding student loan protections. Such recommendations should consider the best agency to provide those protections, and necessary statutory and regulatory amendments. The work group should include the Treasurer’s Office, the Office of the Attorney General, Rhode Island Student Loan Authority, private student loan providers, members of the Rhode Island General Assembly, current and former students with student loan debt, and other key stakeholders; and be it further RESOLVED, That the Secretary of State be and hereby is authorized and directed to transmit duly certified copies of this resolution to Peter Neronha, Attorney General; Seth Magaziner, General Treasurer; Dr. Shannon Gilkey, RI Commissioner on Office of the Postsecondary Education; Tim DelGiudice, Chair of the Council on Postsecondary Education; and Charles P. Kelley, Executive Director of the Rhode Island Student Loan Authority.

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