

2018 -- S 2982

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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: Senator Hanna M. Gallo

Date Introduced: June 20, 2018

Referred To: Placed on the Senate Consent Calendar

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 United States Department of Education or guaranty
4 agencies; and

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

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

11 WHEREAS, The United States Department of Education has removed protections,
12 including, but not limited to, barring debt collectors from charging high fees up to sixteen percent
13 of the principal and accrued interest on past-due loans, penalties for debt collectors' improper
14 handling of loan payments and requirements of debt collectors to provide high-quality customer
15 service to borrowers; and

16 WHEREAS, The Consumer Financial Protection Bureau has closed its Office of Students
17 and Young Consumers, and may shut the open database for consumer complaints; and

18 WHEREAS, Rhode Island should proactively find state solutions for student loan
19 borrowers because of these rollbacks of protections and oversight that such borrowers were

1 afforded by the federal government; now, therefore be it

2 RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations
3 hereby respectfully requests that the Office of the Postsecondary Commissioner form a work
4 group to conduct a thorough review into how Rhode Island can protect student loan borrowers
5 and to make recommendations on or before January 15, 2019, to the President of the Senate and
6 to the Speaker of the House of Representatives regarding student loan protections. Such
7 recommendations should consider the best agency to provide those protections, and the necessary
8 statutory and regulatory amendments. The work group should include the Treasurer's Office, the
9 Office of the Attorney General, the Division of Business Regulation, the Rhode Island Student
10 Loan Authority, private student loan providers, members of the Rhode Island General Assembly,
11 current and former students with student loan debt, and other key stakeholders; and be it further

12 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
13 transmit duly certified copies of this resolution to Peter F. Kilmartin, Attorney General; Seth
14 Magaziner, General Treasurer; Dr. Brenda Dann Messier, Commissioner of Postsecondary
15 Education; Timothy DelGiudice, Council on Postsecondary Education; Liz Tanner, Director of
16 the Department of Business Regulation and Charles E. Kelley, Executive Director of the Rhode
17 Island Student Loan Authority.

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