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, Satchell, Sheehan, Lawson, and Metts

Date Introduced: January 24, 2019

Referred To: Senate Education

WHEREAS, Student loan debt in the United States totals approximately $1.5 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, Nearly 7 million people with $162 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, According to a report from the Consumer Federation of America, millions of borrowers defaulted on their federal student loans in 2016, an increase of about fourteen percent from 2015; and

WHEREAS, The United States Department of Education has 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, Rhode Island should proactively find state solutions for student loan borrowers in Rhode Island because of the rollback of protections that such borrowers were afforded by the federal government; now, therefore be it

RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations 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 15, 2020, 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. Brenda Dann-Messier, Commissioner of Postsecondary Education; Tim DelGiudice, Chair of the Council on Postsecondary Education; and Charles E. Kelley, Executive Director of the Rhode Island Student Loan Authority.

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