



October 15, 2019

The Honorable Michelle Lujan Grisham
Governor of the State of New Mexico

The Honorable Marguerite Salazar
Superintendent of the Regulation and Licensing Department

The Honorable Hector Balderas
Attorney General of the State of New Mexico

The Honorable Kate O'Neill
Secretary of the Higher Education Department

Re: Protect Our Student Borrowers - New Mexico Needs a Student Loan Bill of Rights

Dear Governor Lujan Grisham,

We, the undersigned organizations, write to ask you to support a New Mexico Student Loan Bill of Rights. Across the country, student loan debt has become a full blown crisis – and our New Mexico borrowers are among the hardest hit, facing the second highest rate of default in the nation. Right now, 218,000 New Mexicans are struggling to pay back the often insurmountable amount of debt they accrued to attend college. This existing \$7 billion in student loan debt burdens both New Mexico's rural and urban students, from teenagers to seniors.

Funded by our tax dollars, student loan servicers are legally responsible for providing people with correct information about affordable repayment options guaranteed under law. However, borrower complaints and investigations from both state and federal law enforcement officials to consumer protection agencies show that student loan companies have systematically steered borrowers away from federal affordable repayment plans, leaving them with unaffordable payments and in even greater debt.

Tens of thousands of New Mexico borrowers are navigating a complicated repayment process riddled with unscrupulous and predatory practices. From misinformation from customer service representatives, to misapplied payments, to lost paperwork, borrowers are fighting an uphill battle against servicers that cannot even get the basics right and do not comply with the law. As a result, New Mexicans are missing out on the ability to buy houses, save for retirement, start businesses, or even start families. But the impact is even broader than that—research shows that student debt drives income, wealth, and racial inequality across our state, and it is impacting our state economy.

This year, our state can join nearly a dozen other states in making the student loan market fairer for New Mexicans by enacting a Student Loan Bill of Rights.

The New Mexico Student Loan Bill of Rights would require student loan companies to be licensed and regulated by our state – just as we have long required of mortgage lenders, money transmitters, debt collectors, and many other financial companies. This Bill would give our Regulation and Licensing Department the authority to monitor the practices of unscrupulous loan servicers and hold these companies accountable to New Mexico borrowers.

Student debt and the abuses of loan servicing companies are keeping New Mexicans from economic mobility and pursuing a career in their chosen field. Despite their dedication and service to our state, our hardworking public servants are suffering the consequences of broken promises. Our teachers are being saddled with debt that should have been discharged. Our service members and veterans are being blocked from accessing the financial protections they earned through service to our country. Our communities of color, especially our Native American and Latino communities, are often hit the hardest by predatory lending practices, only to turn around and face disproportionate levels of servicing breakdowns that lead to financial ruin.

New Mexico deserves better. Our state must stand up to protect hardworking New Mexicans and help families and communities prosper.

As a champion for higher education and New Mexico’s families, we urge you to include the New Mexico Student Loan Bill of Rights in your call for the 2020 Legislative Session. We would very much like to discuss this matter with you at your convenience. Please let us know when you and your staff are available to do so. Thank you for your consideration.

Sincerely,

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The New Mexico State University-
Albuquerque Graduate Student Social
Work Association

The New Mexico Public Health Association

OLÉ

The University of New Mexico Public
Health Student Association

New Mexico Voices for Children

New Mexico Voices for Children

New Mexico Dream Team

New Mexico Dream Team

Student Borrower Protection Center

New Mexico Working Families Party

National Education Association New
Mexico (NEA-NM)

Center for Civic Policy

ProgressNow New Mexico

Equality New Mexico

New Mexico Thrives

New Mexico Asian Family Center

KWH Law Center for Social Justice and
Change

Dr. Melissa Riley, Indigenous Women Rising

EL CENTRO de Igualdad y Derechos