

Maine Women's Lobby

THE VOICE OF MAINE WOMEN

Testimony of Whitney Parrish

Maine Women's Lobby

In support of LD 995

An Act to Establish a Student Loan Bill of Rights to License and Regulate Student Loan Servicers

March 26, 2019

Senator Sanborn, Representative Tepler, distinguished members of the joint standing committee on Health Coverage, Insurance, and Financial Services: my name is Whitney Parrish, and I am the Director of Policy and Program for the Maine Women's Lobby. The Maine Women's Lobby is a nonprofit, nonpartisan, statewide membership organization devoted to raising the economic, social, and political status of Maine's 678,000 women and girls.

I am pleased to speak to you today in support of LD 995, *Act to Establish a Student Loan Bill of Rights to License and Regulate Student Loan Servicers*.

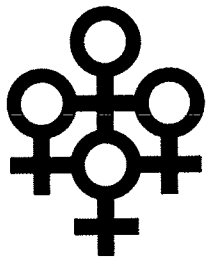
According to a 2016 report from the American Association of University Women (AAUW), women hold nearly two-thirds of the outstanding student debt in the United States, nearly \$900 billion as of mid-2018.ⁱ The report revealed that women take on more, and larger, student loans; women are often balancing parenting and caregiving while completing coursework, which results in the acquisition of more loans and debt. Additionally, because of the gender pay gap and the industries in which they are employed, women pay down debt more slowly and accrue more interest. Of course, we also know that many women are unable to finish their college degrees for many reasons, including childbirth, caregiving, and being the sole earner of their family. This also limits their capacity to pay down their debt.

This is not different in Maine. According to a 2018 survey by the Maine Center for Economic Policy, 74% of women under the age of 35 said they struggle to pay their student loans, where only 35% of men do.ⁱⁱ Nearly 80% of women with student loan debt in Maine are mothers.ⁱⁱⁱ Within the survey, 93% of female-identified respondents reported that they experienced at least one "bad outcome" as a result of student

ⁱ "Women's Student Debt Crisis in the United States." American Association of University Women. 2018. Accessed at <https://www.aauw.org/research/deeper-in-debt/>

ⁱⁱ "Banners from a Statewide Phone and Online Survey of 400 Adults with Education Debt in Maine." Maine Center for Economic Policy. 2018. <https://www.mecp.org/wp-content/uploads/2018/11/MECEP-CRL-Poll-Methodology-and-Crosstabs.pdf>

ⁱⁱⁱ Ibid.



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loan debt. These bad outcomes include putting off a necessary medical appointment, having wages garnished, or putting off paying for retirement.^{iv}

By virtue of the amount of student loan debt acquired by women across the country, predatory student loan practices disproportionately impact them, and we need to prevent this from continuing to happen. Clearly, Maine women need student loan servicers who will help them pay their loans back in a way that is manageable and put them in payment plans that will allow them and the families they are raising to become financially secure. The economic security of our families depends on Maine women being treated fairly by their servicers, knowing their options, and being able to access those options. We strongly urge you to vote ought to pass on LD 995.

^{iv} Ibid.