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***Testimony of Janet Smith, New Ventures Maine Regional Manager and CA\$H Maine Financial Capability and Asset Building Coordinator, in support of LD 955, An Act To Establish a Student Loan Bill of Rights To License and Regulate Student Loan Servicers.***

*Senator Sanborn, Representative Tepler, and honorable members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services: my name is Janet Smith, I am and a Regional Manager for New Ventures Maine and the Financial Capability and Asset Building Coordinator for CA\$H Maine. I am a resident of Industry and I am here today to testify in favor of LD 995.*

Thousands of Maine people are struggling under the weight of historic student loan debt. To help these student loan borrowers responsibly pay back the debt that they owe it is important to establish rules to prevent student loan servicing companies from abusing or misleading borrowers. It has never been more important that the state of Maine act on this issue to support the thousands of current and future Maine student loan borrowers.

New Ventures Maine helps adults access the knowledge, skills, training, and confidence needed to enter, reenter, or change careers in the workforce; assists aspiring entrepreneurs to start and grow their businesses; and helps individuals develop the skills to manage their money, reduce debt, improve their credit, and save for short and long term goals. Our partnership with CA\$H Maine helps low wage tax filers access financial education, resources, and programs to help them to manage their money and start or grow their savings.

New Ventures Maine participants, CA\$H Maine tax filers, and thousands of other Maine student loan borrowers who have difficulties accessing timely and accurate information regarding the repayment of the loans have been affected in a number of ways. The problems with their student loan servicers have caused their credit scores to be lowered. This can prevent them from being approved for loans and to pay higher interest rates. The problems with the student loan servicers has increased the overall cost of their debt. This reduces the amount of their income that is available to use for other household budget items and to save for short and long term goals. The problems with their student loan servicers has prevented them from accessing the income-based repayment plans which could have lowered their monthly payments. The income-based repayment programs helps student loan borrowers keep up with their payments and provides an incentive for them to work at a nonprofit agencies that frequently pay a lower wage than the private sector.

We support LD 955 which would establish a student loan bill of rights to protect borrowers in Maine from predatory practices, rules to prevent student loan servicing companies from abusing or misleading borrowers, and would create a new "Student Loan Ombudsman" in state government who would have the power to help Mainers resolve their problems with these companies.

Thank you for your time today. I would be happy to answer any questions.