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Chair Holvey, Vice Chairs Lively & Richardson and Members of the Committee,

For the record my name is Eric Noll and I serve as the Chair of the Oregon Student Association Board of Directors. Thank you for your time this afternoon and thank you to Chair Holvey for inviting me back to testify. I'm here to speak in favor of House Bill 4102 relating to the management of student financial aid accounts and to speak in favor of the proposed dash-1 through dash-3 amendments.

OSA continues to support the passage of HB4102 to provide students transparency, clarity, and reasonable expectations related to third-party financial aid disbursement. This bill and its proposed amendments will begin to address unusual and predatory fees, a lack of information about fee schedules related to financial aid disbursement from firms (like Higher One Inc.), make additional options available to students without charge, and prohibit revenue sharing between institutions and firms. The amendments proposed by Chair Holvey are reasonable and provide additional clarity to the issues we are addressing in this bill:

The dash-1 amendment adding the requirement to “provide a student with a clear and concise fee schedule before the student agrees to use the third-party financial firm” addresses some of the core issues students have with using Higher One. When surveyed at PSU last fall, only 22% of student respondents said they were confident they knew Higher One’s fees. Based on the age demographics of the survey 20% respondents who identified themselves as 21 or younger answer yes to the same question scaling up to only 38% of the 40-55 year old respondents. This is not an issue of “kids” lacking fiscal responsibility, but of lack of transparency and availability of the fee schedule.

Additionally, the dash-1 amendment “[requiring] the third-party financial firm to send a paper check to a student or initiate the electronic funds transfer within three business days of the date on which the student requested the funds” addresses the desire of students to have an alternative to the Higher One card. 69% of PSU student respondents replied yes when asked if they would prefer an alternative to Higher One. Students aren’t satisfied with the OneCard and this amendment will provide a no-cost option to pursue an alternative.

The dash-2 amendment prohibiting a fee being charged to students per debit transaction directly addresses the unusual and predatory nature of Higher One’s fees. When provided a debit card, students believe that it should be used as a debit card without cost. We believe there should not be a fee unique to students when other financial firms, in an open market, do not charge clients a debit swipe fee.

The dash-3 amendment prohibiting revenue sharing between third-party firms and institutions, is again reasonable and provides another direct answer to student concerns. We believe institutions who are already shifting the cost of financial aid disbursement (in the form of fees assessed to student accounts) should not be dually profiting from those fees.

We are asking this committee and to prioritize the needs of low-income students (who use this service) above the relationship between an institution and third-party financial aid firm. These amendments are excellent compromises in a discussion about the responsibilities of students, institutions and third-party firms related to student financial aid disbursement. We urge the passage of House Bill 4102 with the dash 1 through 3 amendments.

Thank you for your time this afternoon and I will answer any questions you have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Noll', written over a white background.

Eric Noll  
Chair, OSA Board of Directors