



DEPARTMENT OF JUSTICE

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February 25, 2014

Honorable Mark Hass, Chair  
Senate Committee on Education and Workforce Development  
900 Court Street NE  
State Capitol, Room 453  
Salem, Oregon 97301

Chair Hass and Members of the Committee,

I write in support of HB 4102A. Just as legislators track trends in national legislation, Attorneys General are vigilant as to developing issues in the law. Perhaps none are more concerning than the rapidly growing crisis of student debt. As the price of education continues to rise at a level far outstripping economic growth, our young people are obligated to ever larger financial obligations as they pursue the educational development necessary for a well-paying job. At the same time, our colleges and universities are under even more pressure to deliver an affordable product in a time of diminishing state revenues and educational budgets. At the point of friction between these two significant economic challenges, problems occur.

This is an excellent bill to address two of the most concerning issues related to student debt. HB4102A prohibits educational institutions from entering into contracts managing the distribution of financial aid unless those contracts adhere to two common sense provisions: disallowing the imposition of "swipe fees" applied when a student uses a debit card linked to their financial aid, and prohibiting a college or university from entering into a revenue sharing agreement. With the Consumer Financial Protection Bureau estimating that student loans guaranteed or held by the federal government have now crossed the \$1 trillion mark, steps as those contemplated by HB4102A are responsible measures to help ensure Oregon students are getting the most out of their financial aid dollars.

I urge the passage of HB4102A.

Sincerely,

ELLEN F. ROSENBLUM  
Attorney General