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To Chair Hass and Members of the Senate Education Committee,

My name is Jonathen Gates and I am a student at Portland State University. Before coming to Portland State I completed my two-year degree at Mt. Hood Community College, which means that I have nearly four years of experience with a third party financial firm at two very different schools. When I started at Mt. Hood no faculty or staff spoke to me about, or even mentioned that I would be asked to submit my personal information to a banking company I had never heard of. Instead I received a "Mountain Card" in the mail with instructions on how to activate my new account in very big bright letters. Less clear during the initial setup process was that I could opt out of using the service, how long it would take to access my refund if I did, or the fee schedule I would be subject to if I didn't. Much of this information was obscured by terms like "5 days or more" and "Premier Account Benefits."

Today, as a student at Portland State, I no longer have to deal with the \$1.00 per transaction pin fee that was imposed on me when I used my refund to buy groceries or diapers in community college. PSU has a better contract with the same third party firm. But for two years, I was UNABLE to avoid such fees at places like grocery stores, pharmacies, or gas stations because many of these businesses simply don't offer the option of electing to use credit. Particularly for low income individuals like myself, who carefully budget every dollar, choosing to go to a more expensive grocer so they can avoid a fee is not an option. The idea that one can "opt" out of this fee is not reflective of reality. Personally, because I am now free of the \$1.00 pin fee, I can spend my time worrying about the \$500 per day withdrawal limit and lack of working feeless ATM's for my account. What a relief!

In the absence of other considerations, one must wonder if it serves Oregon in some way to allow third party firms to buy contracts with "kickbacks" to schools doing business with them. What free market principle calls for schools to disperse funds through intermediaries to students and then collect whatever the intermediary is willing to cut them in for? This does not contribute to a fair or even ethical system of education or finance. Are students expected to continue to pay for higher tuition, higher cost of living, higher interest rates on student loans, AND fund kickbacks from banks? Oregon should not be willing to turn a blind eye while these types of manipulative practices dictate student finance.

Education about policies is critical for students who attend schools using a third party firm for financial aid distribution. It needs to be made clear to students that they can use their own banks, and the process of facilitating that needs to be reasonable and timely. Fees need to be clearly and concisely presented in a way that doesn't confuse students with account terminology or upselling. Pin fees are simply not acceptable for students to be burdened with, particularly considering that research of the Associated Students of PSU shows such third party financial processing firms are turning profits over \$100million a year. While the argument may be made that it is easy to avoid the fees, it assumes a privilege of choice that many students don't have; let reality be our guide for policy. Finally, kickbacks or similar practices must not be tolerated from schools or banking firms wishing to do business with student and state monies. These dollars will realize their greatest positive impact when students are able to use them as intended, not by being exchanged behind the scenes to purchase contracts.

Thank you for your time and attention.

Jonathan Gates, Portland State University