

**PRELIMINARY STAFF MEASURE SUMMARY**

**Senate Committee On Education**

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:**

**Action:**

**Meeting Dates:**

**Prepared By:** Richard Donovan, Committee Administrator

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**WHAT THE MEASURE DOES:**

Directs State Treasurer and Higher Education Coordinating Commission to conduct study to explore approaches for lowering interest rates on student loans in Oregon. Specifies contents of study. Requires report to interim legislative committee on higher education no later than December 1, 2016. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

The potential economic impact of student loan debt has received significant media attention recently. As student loan debt has exceeded \$1.3 trillion, many borrowers have deferred buying homes and starting families. Currently, more than 7.3 million borrowers are at least 90 days delinquent. Unlike other consumer debt, in most cases student loans may not be refinanced to reflect current low interest rates.

Connecticut recently passed legislation directing the Connecticut Higher Education Student Loan Authority to refinance student loans for residents of the state, regardless of where they attended college. House Bill 4021A requires the State Treasurer and Higher Education Coordinating Commission to conduct a study to determine the feasibility of offering a similar program to Oregonians and to report the findings to the Legislature by Dec. 1, 2016.