

STAFF MEASURE SUMMARY

House Committee On Higher Education, Innovation, and Workforce Development

**Fiscal:** Has minimal fiscal impact

**Revenue:** No Revenue Impact

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**Action Date:** 02/08/16

**Action:** Do Pass With Amendments And Rescind Subsequent Referral To Ways  
And Means. (Printed A-Eng.)

**Meeting Dates:** 02/03, 02/08

**Vote:**

Yeas: 9 - Gallegos, Hayden, Hoyle, Johnson, McKeown, Nearman, Read, Reardon, Whisnant

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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:**

- At \$1.3 trillion, student loan debt in the U.S. now exceeds credit card debt
- Impact of potential debt on persistence and completion of students currently attending college
- Student loans are not dischargeable through bankruptcy
- Unlike federally subsidized loans, in most cases private loans may not be combined, refinanced or repaid based on income
- Impact to Oregon economy of former students deferring major purchases due to student loan debt

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces the measure.

**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.