

SB 747 STAFF MEASURE SUMMARY

Senate Committee On Education

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Meeting Dates: 3/14

WHAT THE MEASURE DOES:

Creates student loan insurance in the Insurance Code. Defines student loan insurance as insurance against financial loss by reason of nonpayment . Directs the Department of Consumer and Business Services to establish rules relating to authorization to transact student loan insurance. Establishes program requirements. Becomes operative January 1, 2018.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

According to the Institute for College Access and Success, Oregon ranks 29th in student loan debt, with a statewide average debt load of \$26,106 for college graduates of public and private non-profit four-year institutions.

Under the Insurance Code, the Department of Consumer and Business Services has authority to regulate insurance providers and to assess fines and revoke/suspend licenses. The Department provides a hotline for consumers who have questions or concerns about their insurance coverage, claim processing, and appeals. Student loan debt is generally not forgiven if a borrower declares bankruptcy.