



*From the office of*  
**REPRESENTATIVE KARIN POWER**  
**House District 41**

Chair Riley, Vice Chair Hansell, and members of the committee,

For the record, my name is Karin Power and I represent House District 41. It is my honor to testify on behalf of SB 485 before you today.

I shared my personal education loan experiences in greater depth on previous versions of this bill. I will be brief this year and summarize my own anecdote as a way of illustrating the difficulty that borrowers experience in navigating loan repayment.

After graduating law school, I discovered a few years into my repayment that several of my loans hadn't been consolidated. This was only brought to my attention by an incredibly helpful customer service representative who volunteered this information. If I opted to consolidate at that time, all accrued interest would capitalize and compound on my loan. However, I wasn't left with much of an option under current public loan forgiveness programs. I am far from alone in experiencing incomplete or inaccurate information, and the Attorney General and her office have testified over the years regarding the number of complaints received about student loans. To further underscore the difficulty in getting timely and accurate information, the closing on my home in 2016 was jeopardized by my mortgage lender's inability to get through to FedLoan to send the paperwork we needed. We spent hours to finally get to someone who could assist us, and it almost cost us our closing. My story is unfortunately far from unique.

Loan servicers frequently provide incomplete, inconsistent, or confusing information, and are largely unregulated. As a result, states have begun to provide basic consumer protections for borrowers. These protections matter not only for borrowers, but especially for older family members who co-sign loans alongside their younger and less credit-worthy relatives and can find themselves impacted.

This bill is particularly timely. Oregon borrowers have long needed the resources, information, and support provided by this concept. For the last ten months due to the COVID-19 emergency, however, federal student loan repayment has been temporarily suspended to provide financial relief to 42 million borrowers. Earlier this year, the suspension was extended through September 30, 2021. Once this moratorium expires, it is not clear how private loan servicers intend to aid these millions of borrowers in restarting their payments all at once. Borrowers may still be facing financial hardship and need additional assistance in understanding their repayment options. Though SB 485 does not become operative until 2022, passage of this bill will provide notice to private loan servicers that Oregon intends to join other states in ensuring its citizens are not overcharged or misled once federal repayment resumes. I urge your support for the passage of SB 485 and thank you for the opportunity to join you today.