

2021 -- S 0281

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

SENATE RESOLUTION

RESPECTFULLY REQUESTING THAT THE OFFICE OF THE POSTSECONDARY
COMMISSIONER FORM A WORK GROUP TO CONDUCT A THOROUGH REVIEW INTO
HOW RHODE ISLAND CAN PROTECT STUDENT LOAN BORROWERS

Introduced By: Senators Gallo, and Lombardo

Date Introduced: February 18, 2021

Referred To: Senate Education

1 WHEREAS, Outstanding education debt in the United States has tripled over the last
2 decade. As of 2020, student loan debt in the United States totals approximately \$1.67 trillion; and

3 WHEREAS, The Federal Family Education Loan (FFEL) Program is a bank-based
4 federal loan program that is held by the Department of Education or guaranty agencies; and

5 WHEREAS, In Rhode Island, the average student loan debt is \$31,781; and

6 WHEREAS, Nearly 7 million people with \$138.57 billion in FFEL loans are held by
7 guaranty agencies and almost half of the outstanding defaulted student debt is from the FFEL
8 program; and

9 WHEREAS, Prior to the COVID-19 pandemic, the United States Department of
10 Education had removed protections for student loan borrowers, including barring debt collectors
11 from charging high fees, up to sixteen percent of the principal and accrued interest, on past-due
12 loans; and

13 WHEREAS, On March 20, 2020, the office of Federal Student Aid began providing
14 temporary relief due to the pandemic, however, how long those measures will continue is
15 unknown; and

16 WHEREAS, Rhode Island should proactively find state solutions for student loan
17 borrowers in Rhode Island because the rollback of protections that such borrowers are currently
18 afforded by the federal government will not continue indefinitely; now, therefore be it

19 RESOLVED, That this Senate of the State of Rhode Island hereby respectfully requests

1 that the Office of the Postsecondary Commissioner form a work group to conduct a thorough
2 review into how Rhode Island can protect student loan borrowers and to make recommendations
3 on or before January 14, 2022, to the President of the Rhode Island Senate and to the Speaker of
4 the Rhode Island House of Representatives regarding student loan protections. Such
5 recommendations should consider the best agency to provide those protections, and necessary
6 statutory and regulatory amendments. The work group should include the Treasurer's Office, the
7 Office of the Attorney General, Rhode Island Student Loan Authority, private student loan
8 providers, members of the Rhode Island General Assembly, current and former students with
9 student loan debt, and other key stakeholders; and be it further

10 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
11 transmit duly certified copies of this resolution to Peter Neronha, Attorney General; Seth
12 Magaziner, General Treasurer; Dr. Shannon Gilkey, RI Commissioner on Office of the
13 Postsecondary Education; Tim DeGiudice, Chair of the Council on Postsecondary Education;
14 and Charles P. Kelley, Executive Director of the Rhode Island Student Loan Authority.

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