



**Hearing Testimony March 4, 2020**  
**House Economic Matters Committee**  
**Service Employees International Union, Local 500, CtW, CLC**

**House Bill 1562 – Action to Collect a Private Education Loan – Required Documents**

**SUPPORT**

SEIU Local 500 represents over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Adjunct Faculty at several Maryland colleges and universities, staff at non-profits, and many other working people across the region. Across generations, employers and industries, SEIU Local 500 members are all deeply affected by the student debt crisis that burdens our state and our entire national economy in both the short and long terms. This is why today, we submit this testimony in support of House Bill 1562, which would end the problematic practice of robo-signing wage garnishments for student loan debts by requiring a creditor to prove ownership of a debt before they use the courts for wage garnishment on private student loans.

The weight of student debt is too often discussed as a personal issue for the youngest individuals in our workforce, when it is in reality a problem for millions of people of all ages and a growing strain on our economy. To determine the impact that student debt is having on our largest bargaining unit, SEIU Local 500 surveyed support service staff employed in Montgomery County Public Schools. Of those surveyed, 38% had student debt of their own, 59% were helping and/or deeply concerned about their children and grandchildren's debt. 36% of those surveyed had over \$50,000 or more in student debt. Student debt does not only affect a family's financial well-being but restricts Marylanders ability to invest in their own communities as well. Because of student debt, 24% of SEIU Local 500 members report that either they cannot move out of their parents' home or that their adult children cannot move out into a home of their own. 13% are unable to purchase a home and 20% have delayed further education because of their existing debt. We must do all that we can to protect borrowers and ensure that creditors are providing the correct documentation before garnishing worker's hard-earned money.

The challenge of our time is the size and pervasiveness of student debt; the tragedy for so many families is that lenders are free to take unparalleled actions to collect on debt, regardless of hardship or bankruptcy. By passing HB 1562 this session, the General Assembly can help to ensure that Maryland protects its struggling middle class and sets a precedent for student debt collection fairness. It is for this reason that we ask for your support for HB1562 and strongly urge a favorable committee report. Thank you each for your dedication to passing this legislation, to fairness and justice, and to the working people of our state – and thank you for considering our testimony.

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