



Maryland Consumer Rights Coalition

**Testimony to the House Economic Matters Committee  
HB 1562: Action to Collect a Private Education Loan - Required Documents  
Position: Favorable**

March 4, 2020

Delegate Dereck Davis, Chair  
House Economic Matters Committee  
Room 231, House Office Building  
Annapolis, Maryland 21401  
Cc: Members, House Economic Matters Committee

Honorable Chair Davis and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial inclusion and economic justice for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland. We are writing today to testify in support of HB 1562.

MCRC works on issues related to college affordability, student loan debt, and debt collection. Student borrowers who face financial hardship may become delinquent or default on their debt. When borrowers are severely delinquent or default, their debt may be passed on to a debt collector.

Forty-five million Americans collectively owe nearly \$1.6 trillion in student loan debt. In 2018, the average student loan debt owed in Maryland was \$29,178<sup>1</sup> and the median amount of student loan debt in collection was \$9,483.<sup>2</sup> The growth of student loan debt indicates that consumer protections must be enacted to prohibit predatory practices debt collection tactics in the student lending industry.

HB 1562 strengthens protections for student borrowers by banning the use of mass-produced documentation, also known as “robo-signing” and prohibiting creditors from obtaining judgements against borrowers without accurate documentation. We need to make sure that student borrowers are protected from abusive debt collection tactics.

For these reasons, we support HB 1562 and urge a favorable report.

Best,

Marceline White  
Executive Director

---

<sup>1</sup> <https://ticas.org/wp-content/uploads/2019/09/classof2018.pdf>

<sup>2</sup> [https://www.nclc.org/images/pdf/debt\\_collection/fact-sheets/Maryland.pdf](https://www.nclc.org/images/pdf/debt_collection/fact-sheets/Maryland.pdf)