



**Hearing Testimony January 20, 2021**  
**House Appropriations Committee**  
**Service Employees International Union, Local 500, CtW, CLC**

**House Bill 26 – 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, Staff and Faculty at several colleges and universities, staff at non-profits and many other working people.

Our union members are educating Maryland’s learners at all levels. To prepare for this vital work many SEIU Local 500 members have taken on substantial student loan debt. SEIU Local 500 surveyed our support service staff in the Montgomery County Public Schools to find out about their student debt loads. 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. Members across the union have similar, if not higher, levels. This issue impacts hundreds of our members, including our bus drivers, child care providers, janitors, and paraeducators—the hard-working people who educate and take care of our children.

Maryland must do more to protect borrowers, like our members, from harassment by unscrupulous lenders and creditors. Creditors are seeking judgments every day to collect on loans that they cannot prove they own. Because they lack proper documentation, these companies are lying to both borrowers and the courts about their legal ability to sue borrowers and obtain court orders to garnish borrower’s wages. Abuses are widespread across Maryland. Public filings show that over the past two decades, just one creditor, the National Collegiate Student Loan Trusts (NCSLT), owned more than 15,000 separate loans owed by Maryland borrowers totaling more than \$190 million. We believe that HB 26 will be an important tool to address the harassment that borrowers face.

We believe that the legislature should not only help borrowers because it impacts our members but also because it is a matter of equity. We all are aware that women and people of color have higher student debt than any other group. This debt makes them more vulnerable—and more targeted—by unscrupulous actors. These cases by NCSLT disproportionately target communities of color in Maryland. More than half of the lawsuits analyzed are against borrowers in majority-minority zip codes. And more than 25 percent of all lawsuits analyzed were filed in majority-minority Prince George’s County, which as the committee knows well, was the center of Maryland’s foreclosure crisis a decade ago. These aggressive debt collection practices and lawsuits are common across the industry, including for trusts managed by embattled student loan giant Navient Corporation. At our Student Debt workshop, we hear regularly about the stress and hardship these loans put on our members. **We ask for your support for HB 26 and strongly urge a favorable committee report.**

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