



STUDENT
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PROTECTION
CENTER

**Written Testimony of the Student Borrower Protection Center
at a Bill Hearing before the
Senate Finance Committee on H.B. 128
March 24, 2022**

Dear Chair Kelley and Members of the Senate Finance Committee,

We, the Student Borrower Protection Center, write to you in support of H.B. 128, which would add student loans to the Maryland Debt Services Act and protect borrowers from companies engaging in deceptive practices. We urge you to support this bill to ensure that for-profit companies cannot falsely advertise themselves as student debt relief services through the Department of Education.

In the states of Maryland, there are 871,500 borrowers each holding an average of \$42,600 in student loans.¹ Nearly [1 in 7](#) of these borrowers are in delinquency. For-profit companies prey on student loan borrowers by falsely presenting themselves as debt relief service providers through the Department of Education, duping borrowers into paying for services that would otherwise be free with their student loan servicer. The bill would require companies engaging in these practices to clearly state that they are private companies not affiliated with the Department of Education. In addition, the legislation prohibits companies from advising borrowers to stop communicating with their student loan servicer and accessing a consumer's student aid information in violation of federal law. These are common-sense solutions to predatory practices.

To be clear, this legislation protects student loan borrowers in the same way that Maryland is already protecting other debt holders across the state. We urge you to support H.B. 128 for all of the 871,500 borrowers in the state of Maryland who could easily fall victim to deceptive practices like these. With federal student loan payments turning back on in May 2022 and several student loan servicers leaving the federal student loan market, borrowers could be more susceptible to these predatory practices and the time to act is now to protect borrowers.

Please contact Amy Czulada, the Outreach and Advocacy Coordinator at the Student Borrower Protection Center, at amy@protectborrowers.org if you have further questions about this comment.

¹ Student Borrower Protection Center calculation based on Department of Education and Federal Reserve Bank of New York data