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Patrick Moran - President

Testimony
SB 732 – Action to Collect a Private Education Loan - Required Documents
Judicial Proceedings
March 9, 2022
Support

AFSCME Council 3 supports SB 732. This legislation helps prevent predatory lending practices by requiring creditors specify evidence in wage garnishment lawsuits for student loan debt. It bans mass produced documentation that predatory creditors often use to “fishnet” borrowers, instead requiring that collectors prove private student loan debts are valid when collecting debt. This puts the onus on creditors to certify that the old debts are not barred by a state statute of limitations. It also prevents creditors from seeking court orders to garnish wages on loans they cannot prove borrowers owe.

Crushing student loan debt already is a tremendous burden upon those who have sought to better themselves through accessing educational opportunities. Student loan debt can serve as a tremendous obstacle for individuals to move up within their economic class, and limit their ability to productively contribute to their local economy due to resources being diverted towards this debt. Predatory lending practices create a horrible burden above and beyond an already onerous situation. We should be doing all we can to stop this practice, and in turn focus on solutions that enable those who are seeking to better themselves to do so without significant burdens inhibiting their progress.

We urge a favorable report of SB 732.

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