

March 16, 2023

House Appropriations Committee

Chair: Delegate Ben Barnes

House Bill 1081 - Higher Education – Student Loans – Notice Requirement and Tax Credit

Re: Letter of Support

The Office of the Commissioner of Financial Regulation’s (“OCFR”) houses the Student Loan Ombudsman (“Ombudsman”). The Ombudsman monitors student loan servicing activity in Maryland. The Ombudsman serves as a liaison between student loan borrowers and student loan servicers. The Ombudsman receives and reviews complaints from student loan borrowers and attempts to resolve those complaints.

This bill seeks to address informational issues that Maryland borrowers have experienced with private lenders when requesting financial data from those lenders for the borrower to qualify for the Maryland Higher Education Commission’s student loan debt tax credit initiative. This information is required by the state for MD residents to take advantage of a significant tax credit which provides financial relief to those who qualify. The Ombudsman has received complaints from Maryland residents regarding a private lender failing to provide the necessary information to take advantage of the tax credit. This bill would prevent such issues.

The Ombudsman is charged with helping student loan borrowers understand their rights and responsibilities under the terms of student education loans and the information provided to borrowers as required by this bill could simplify the Ombudsman's work and it aligns well with the goal of ensuring that student loan borrowers fully understand the terms of their loans.

With that, we request a favorable Committee Report.