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March 16, 2023

TO: The Honorable Ben Barnes
Chair, Appropriations Committee

The Honorable Vanessa E. Atterbeary
Chair, Ways and Means Committee

FROM: Philip Ziperman, Deputy Chief - Consumer Protection Division

RE: House Bill 1081– Higher Education – Student Loans – Notice Requirement and Tax Credit
TESTIMONY IN SUPPORT

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports HB 1081 sponsored by Delegate Rosenberg, which requires lenders that provide private student loans to disclose certain information to borrowers at the time the loan is made and annually thereafter, and providing students greater access the student loan debt relief tax credit. Student loan debt now ranks as the second highest category of consumer debt after mortgages.¹ Student loan borrowers in the United States owe a total of \$1.75.² Since 1980, the total cost of both four-year public and four-year private college has nearly tripled.³

HB 1081 requires a private student loan lender to provide a loan applicant basic information about their loans, including the total amount of the loans the student has applied for, the monthly payment over a ten-year repayment period, and an amortization schedule. This information must also be provided annually thereafter. This information will help student loan borrowers make more informed decisions about the amount of debt they are taking on and their ability to repay it.

The Division supports HB 1081 because the disclosure requirements will help consumers make more informed decisions when taking on student loan debt student loan debts.

¹ Education Data Initiative, Student Loan Debt Statistics (February 10, 2023), available at <https://educationdata.org/student-loan-debt-statistics>

² Available at https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html.

³ College Board, Report Trends in College Pricing and Student Aid 2022, available at <https://research.collegeboard.org/media/pdf/trends-in-college-pricing-student-aid-2022.pdf>

cc: Members, Appropriations and Ways and Means Committees
Honorable Samuel I. Rosenberg