

March 9, 2023

House Appropriations Committee

Chair: Delegate Ben Barnes

House Bill 1048 - Federal Public Service Loan Forgiveness Program – Employee Certification and Awareness Materials

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 requires the Ombudsman to develop, update as needed, and post to OCFR’s website three documents for Maryland public service employers: 1) a letter with a summary of the U.S. Department of Education’s Public Service Loan Forgiveness Programs (PSLF) and the requirements; 2) a fact sheet describing the PSLF program including the U.S. Department of Education’s web address, as well as its available resources for borrowers; and 3) a Frequently Asked Questions (FAQ) document. In addition, the Ombudsman will be required to coordinate with other state agencies to make the materials available to Maryland public service employees on or after October 15, 2023.

Many student borrowers in Maryland are unaware or unsure of how to access PSLF. This bill would ensure they are made aware of it at the start of the employment that would qualify them for this forgiveness. The Ombudsman is charged with helping student loan borrowers understand their rights and responsibilities under the terms of student education loans. The information provided to borrowers as required by this bill would ensure borrowers are aware of forgiveness and repayment options.

With that, we request a favorable Committee Report.