

March 19, 2025

Senate Finance Committee

Chair: Senator Pamela Beidle

House Bill 795 - Federal Public Service Loan Forgiveness Program – Employee Certification and Awareness Materials

**Re: Letter of Support**

The Student Loan Ombudsman (“Ombudsman”) currently resides in the Office of Financial Regulation (OFR) and monitors student loan servicing activity in Maryland. The position serves as a liaison between student loan borrowers and student loan servicers, receives and reviews complaints from student loan borrowers, and attempts to resolve those complaints. In addition, the Ombudsman is also charged with helping student loan borrowers understand their rights and responsibilities under the terms of their student education loans.

This Bill requires the Ombudsman to develop, update as needed, and post to the OFR 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 their 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. After the introduction of HB 1172 in 2023, OFR created these documents and posted them to its website as would be required under HB 795.

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.

The Department of Budget and Management has requested an amendment to the bill that would allow the State to distribute the information on the platform the newly hired employees already use for training purposes. OFR is supportive of that amendment.

OFR requests a favorable Committee Report with that Amendment.