

HB0061_RichardKaplowitz_FAV

02/03/2026

Richard Keith Kaplowitz

Frederick, MD 21703

TESTIMONY ON HB#/0061- POSITION: FAVORABLE

Financial Institutions – Definition of Student Financing Companies – Alteration

TO: Chair Valderrama, Vice Chair Charkoudian and members of the Economic Matters Committee

FROM: Richard Keith Kaplowitz

My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of HB#/0061, **Financial Institutions – Definition of Student Financing Companies – Alteration**

This bill clarifies the definition of a student financing company is separate from the institution providing the education.

On May 8, 2023, Governor Wes Moore of Maryland signed HB 913 into law, creating the [Student Financing Act](#) (the Act). Under the Act, “student financing” is defined as an extension of credit to a consumer that is (1) not made, insured, or guaranteed under Title IV of the federal Higher Education Act of 1965, (2) extended to a consumer expressly, in whole or in part, for postsecondary education expenses, *regardless of whether it is provided by the institution that the consumer attends*, and (3) not a loan secured by real property or a dwelling. “Student financing” also includes (1) an extension of credit used to refinance or repay existing student financing or federal student loan debt, and (2) financial obligations in which the repayment amount is equal to a predetermined percentage of a consumer’s future income. Further, the Act defines “student financing company” as an entity engaged in the business of securing, making, or extending student financing products, or any purchaser, assignee, or holder of student financing products. The Act expressly excludes banks, savings banks, savings and loan associations, credit unions, and wholly owned subsidiaries or operating subsidiaries of these entities.¹

The bill ensures this redefinition is part of the law by altering the definition of "student financing company" to exclude an institution of postsecondary education for purposes of certain registration and reporting requirements.

I respectfully urge this committee to return a favorable report on HB#/0061.

¹ <https://www.mcglinchey.com/insights/maryland-enacts-student-financing-act/>