



March 18, 2024

The Honorable Ron Latz, Chair
Judiciary and Public Safety Committee
3105 Minnesota Senate Bldg.
St. Paul, MN 55155

The Honorable Warren Limmer, Republican Lead
Senate Commerce and Consumer Protection Committee
2221 Minnesota Senate Bldg.
St. Paul, MN 55155

Dear Chair Latz, Republican Lead Limmer, and Members of the Committee:

On behalf of Students United, we write today to support SF4735.

What does SF4735 address?

With almost \$30 billion in collectively held outstanding loan debt, the student debt crisis is a reality experienced by thousands of Minnesotans. Right now, Minnesota's student loan borrowers owe an average of \$37,492 for state college students, according to the Student Borrower Protection Center, and we have more than 85,000 Minnesotans in delinquency. Student loan debt is a significant drag on our state's economy and an exhausting crisis for those struggling to afford their monthly payments. Fortunately, Minnesota became the fifteenth state in the nation to pass a borrower's bill of rights in 2021, but it is time to do more.

How did we get here?

Minnesota's Student Borrower Bill of Rights was a bipartisan effort establishing common-sense rules and basic protections for student loan borrowers across our state. Among other provisions, the law requires loan servicers to communicate information about loans and repayment promptly and accurately. Borrowers are also now notified if and when a loan is transferred and to whom. Additionally, borrowers must now be evaluated for repayment options considering income, making it easier for people to afford payments while staying on track and protecting their credit. But, as thousands of Minnesotans return to student loan repayment, the time has come to take further action.



How would SF4735 work?

Students United is asking lawmakers to follow the example of other states, establish an individual right of action, and clarify Minnesota's student loan Ombudsperson's market monitoring authority. Additionally, SF4735 would create a more transparent student loan system in Minnesota by establishing a registration requirement.

SF4735 will ensure that Minnesota's student loan borrowers are protected as they return to loan repayment, allow borrowers to be heard if they are wronged by their servicer, and offer greater transparency in the marketplace.