



March 19, 2019

Senate Committee on Judiciary
900 Court Street NE
Salem, Oregon 97301

Dear Chair Prozanski and Members of the Committee,

Thank you for the opportunity to provide written testimony in support of SB 279.

NEDCO and Willamette Neighborhood Housing Services, two nonprofit CDCs that recently merged, are dedicated to helping low income families and communities build a better financial future. One of our signature asset building services is our first time homeownership program for low and moderate income families. We provide financial and homebuyer education, counseling, credit-building, matched savings accounts (IDAs), and down payment assistance to help low income families achieve stable, affordable homeownership.

In the last 3-4 years, student loan debt has become one of the primary barriers for our clients to achieve homeownership. In fact, over 80% of millennials cite student loan debt as the reason for delaying or eliminating their pursuit of homeownership. In 2018, we launched a student loan debt counseling program to help borrowers understand their debt, analyze the options available to them and communicate and negotiate with their servicer. Over the last year we have seen firsthand the misinformation and deceptive practices of servicers, many of whom are out of state, leading to increased borrower confusion and devastating financial outcomes. Borrowers who qualify for payment plans, loan forgiveness or discharge of debt are given conflicting and misleading information, often at the cost of massive additional fees, unnecessary payments, or falsely delinquent credit reporting. The chance to get out from under student debt quickly slips out from the hands of even the most proactive borrowers.

Outstanding student loan debt owed by Oregon borrowers totals over \$18 billion, and is crippling the financial stability of Oregonians. Borrowers have few options available in helping to manage their debt and hold servicers accountable. In order to have a fair shot, student borrowers need several layers of protection added by SB 279, including regulatory authority for DCBS, an Ombudsman to act as a centralized resource, and access to neutral, ongoing student debt counseling to help navigate this complicated field.

SB 279 is a step in the right direction to support Oregon borrowers. We urge your support of SB 279 to provide oversight for student loan debt servicers and support for borrowers through student loan debt counseling.

Sincerely,
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Director of Asset Building Programs

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