



February 1, 2021

Chair Riley, Vice-Chair Hansell and Members of the Committee:

On behalf of the American Association of University Women (AAUW) of OR, we respectfully request your support for Senate Bill 485.

There are others who can present hard data regarding the explosion of student loan debt in Oregon and throughout the United States. The financial crisis of 2008 and the COVID pandemic have only exacerbated long-standing problems.

We wish to focus on the importance of education. There are tangible benefits, such as the ability to earn more money, being less likely to face unemployment, attaining higher employment positions with attendant levels of job satisfaction, and learning how to navigate adulthood by learning about such topics as finances and home ownership.<sup>1</sup> Education provides the pathway to informed citizenship.

There are intangibles as well, such as better health, a sense of being a valued member of society, being able to provide for family and community needs, perceiving one's personal value and knowing there is always something that can be relied on when life presents its inevitable challenges -- one's education. Individuals who have received education know how to gather information, think for themselves, plan for the future and live a more broad-based and well-rounded life.

Unfortunately, both racial segregation and segregation by poverty have locked many out from achieving these goals.<sup>2</sup> This status quo is untenable.

The evidence also shows that many student loan servicers have abused their positions and taken advantage of students. They have failed to fully advise students of the details of their loans, including how they may most efficiently and quickly pay them off. Importantly, servicers have not kept or provided written records of their practices and advice.

The long-term consequences of these practices are clear -- the benefits of education outlined above will not reach fruition for many. People of color or facing poverty will find themselves even farther behind.

Student loan licensing fosters a process such that those wanting to obtain an education can in fact do so.

Respectfully submitted  
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<sup>1</sup> Susan Bogle, *Top 10 Reasons Why College is Important*, Southern Hampshire University, 2 August 2017.

<sup>2</sup> Dick Startz, *The achievement Gap in Education: Racial Segregation Versus Segregation by Poverty*, Brown Center Chalkboard, 20 January 2020.