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**Senate Labor & Business Committee  
Testimony in Support of SB 485  
Andrea Meyer, Director of Government Relations  
February 2, 2021**

AARP is pleased to support SB 485. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With 503,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families, with a focus on health security, financial stability and personal fulfillment.

In 2018, Americans owed \$1.4 trillion in outstanding student loan debt, second only to mortgage debt. Although younger people hold most of this debt, older Americans increasingly find themselves saddled with student loan debt as well. The number of people age 50 and older with student loan debt more than tripled between 2004 and 2017, now with a total of \$263 billion in student debt. In addition, student loans pose disproportionate burdens on BIPOC communities.

Carrying student debt later in life makes it harder for people to save for retirement. Indeed, those nearing retirement age with student debt have less saved for retirement than those without student debt. Student debt can directly affect retirement income, as those who default on federal student loans are subject to Social Security garnishment. This number has more than quadrupled between 2005 and 2015.

Regardless of the quality of a program, once a borrower is required to repay a student loan, other potential problems can arise. Student loan servicers (companies that collect debt payments on behalf of lenders) have often been accused of engaging in deceptive practices. According to the federal Consumer Financial Protection Bureau (CFPB), nearly two-thirds of complaints they receive about student loans relate to servicing problems. For example, borrowers complain that servicers are not putting them into income-driven repayment plans, which would substantially lower their monthly payments, even though they meet eligibility requirements. Other borrowers complained about improperly applied payments.

Student loan borrowers who default on their debt face additional problems because of the abusive practices of some debt collection agencies. The Federal Trade Commission has taken enforcement action against debt collectors for illegally harassing student loan borrowers, and older federal student loan borrowers have complained that errors have led to improper Social Security garnishment.

SB 485 is a powerful tool to protect consumers from student loan servicing problems and abuses. This legislation will establish the same level of oversight that the state has over mortgage lenders. For these reasons, AARP urges passage of SB 485.

