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## Press Release

### ***California Borrowers Advocates Respond to Governor's May Revision and Urge Consumer Protections for Student Loan Borrowers in the Wake of COVID-19***

Sacramento, CA -- Today, the Campaign for California Borrowers Rights responds to the Governor's May Revision of the state Budget and urges the Legislature to pass The Student Borrower Bill of Rights.

At a time when Californians are experiencing the combined effects of a public health and economic crisis, it is vital that 4 million Californians carrying a combined \$141 billion in student loan debt are not ignored. When the average student loan borrower in California owes an estimated \$37,000 in debt and over 4 million Californians have filed for unemployment as a result of the COVID-19 pandemic, there is a clear and immediate need to seek economic recovery.

A survey being conducted by the Campaign for California Borrowers Rights has preliminary indications that twice as many respondents find their student loan servicer untrustworthy as find them trustworthy and that a series of questions suggests that respondents are broadly supportive of steps to ameliorate student loan servicer issues. California has the opportunity to be the first state to secure basic consumer protections for student loan borrowers and can establish a state student loan ombudsman to support the millions of Californians with student debt navigate these difficult times.

"With COVID-19 intensifying the struggles of student loan borrowers and the Trump Administration faltering in its response to the crisis, the need for California to further protect student borrowers is greater than ever. There are borrowers who have been left out of any COVID-19 reliefs and California can do more to support student borrowers as an economic stimulus. California has the opportunity to be the first state to secure basic consumer protections for student loan borrowers by passing AB 376, the Student Borrower Bill of Rights," said **Samantha Seng, Policy Advisor of NextGen California**

"It is more important now, than ever, that California pass AB-376, the Student Borrower Bill of Rights. The COVID-19 health crisis is an economic disaster for millions of Californians, especially those already burdened with student loan debt. It is imperative that California protect borrowers from predatory student loan companies who put profits above people during times of crisis," said **Natalia Abrams, Executive Director of Student Debt Crisis**

"Before COVID-19, over four million California student loan borrowers desperately needed the protections the California Borrower Bill of Rights would deliver. Now it is vital. As Betsy DeVos botches the implementation of relief efforts and millions of borrowers are cut out of any assistance, it's more important than ever that Sacramento takes action to protect their student loan borrowers. The passage of AB-376 will do just that for millions of Californians desperate for help." said **Seth Frotman, Executive Director of the Student Borrower Protection Center.**

"Every day we hear from young Californians who are losing their jobs, their health coverage, and their financial stability to the COVID crisis," said **Kristin McGuire, Western Regional Director for Young Invincibles.** "As they navigate keeping themselves and their families healthy and safe, our leaders in Sacramento need to step up and address the most pressing challenges facing our state's young people. Passing the Student Borrower Bill of Rights would give a lifeline to millions of young Californians who need it most and stand up to predatory lenders who care more about making a profit than they do ensuring borrowers can weather this pandemic. With more new borrowers entering repayment every day, these protections are as critical as ever. It's time that we stand up for our young people and pass the Student Borrower Bill of Rights."

"The financial fallout from COVID-19 is already more widespread than what we saw during the 2008 crisis - and its effects will only deepen in the coming months. Californians with student loans must be prioritized in any legislative agenda that seeks to slow a worsening economic disaster and put a framework in place to help with recovery. The commonsense, enforceable standards in AB 376 will provide much-needed clarity for the student loan industry and promote fairer outcomes for people managing debts from their education," said **Suzanne Martindale, Senior Policy Counsel & Western States Legislative Manager for Consumer Reports.**

### **About The Student Borrower Bill of Rights, AB 376 (Stone)**

AB 376, the California Student Borrower Bill of Rights, will create new consumer rights for all California student loan borrowers and establish special protections for military personnel and their families, nurses, teachers, and the disabled community. The legislation would require student loan companies to train their staff to understand these rights and create strong new consumer protections to prevent student loan companies from deceiving and misleading student loan borrowers. This bill also creates new penalties for companies that trick borrowers out of their repayment and public loan forgiveness rights and, for the first time, gives individual borrowers new legal remedies to address predatory and abusive practices.

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## **About Co-Sponsors:**

**NextGen California** is a non-profit organization dedicated to working on California legislative, budgetary, regulatory, and programmatic issues. Originally founded in 2014 to focus on climate and environmental policy, in recent years, NextGen California has broadened its scope to advance solutions to various economic and social justice issues. Specifically, our policy portfolio now encompasses topics such as: criminal justice and immigration; healthcare and food insecurity; mental health and voting rights; student loan debt and the Census; veterans issues and consumer protections; and affordable housing and environmental justice.

**The Student Borrower Protection Center** is a nonprofit organization focused on alleviating the burden of student debt for millions of Americans. SBPC engages in advocacy, policymaking, and litigation strategy to rein in industry abuses, protect borrowers' rights, and advance economic opportunity for the next generation of students. Led by the team of former federal regulators that directed oversight of the student loan market at the Consumer Financial Protection Bureau, SBPC exposes harmful and illegal practices in the student loan industry, drives impact litigation, advocates on behalf of student loan borrowers in Washington and in state capitals, and promotes progressive policy change. SBPC accomplishes these goals by partnering with leaders at all levels of government and throughout the nonprofit sector.

**Student Debt Crisis** is a non-profit (501c4) organization dedicated to fundamentally reforming student debt and higher education loan policies. Student Debt Crisis (SDC) takes a personal approach to member needs—working directly with borrowers to understand their challenges and fears, repayment obstacles and frustrations. SDC tackles the challenges of loan refinancing and consumer protection policies with media and legislators, as well as educating borrowers and higher education experts with lectures, webinars and special events.

**Consumer Reports** is an expert, independent, non-profit organization whose mission is to work for a fair, just, and safe marketplace for all consumers and to empower consumers to protect themselves. Consumer Reports works for pro-consumer policies in the areas of financial services, as well as telecommunications, health care, food and product safety, energy, telecommunications, privacy and data security, and competition and consumer choice, among other issues, in Washington, DC, in the states, and in the marketplace. Consumer Reports is the world's largest independent product-testing organization, using its dozens of labs, auto test center, and survey research department to rate thousands of products and services annually. Founded in 1936, Consumer Reports has over 6 million subscribers to its magazine, website, and other publications.

**Young Invincibles** (YI) is a national nonprofit, non-partisan advocacy and research organization working with and for young adults to address the generation's most pressing economic challenges by amplifying the voices of young adults in the political process. With a focus on higher education, health care, workforce development, and civic engagement, our work is guided by the belief that every young person - regardless of race, gender, socioeconomic status, or any other factor - deserves a fair chance to achieve their goals and reach financial stability.