



*A Union of Professionals*  
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**Written Testimony to the Senate Judicial Proceedings Committee  
SB 165 - Action to Collect a Private Education Loan - Required Documents  
February 2, 2023**

**SUPPORT**

Chair Smith and members of the committee, on behalf of the more than 20,000 members of the American Federation of Teachers – Maryland (AFT-Maryland), we ask for a favorable report on HB 111 – Action to Collect a Private Education Loan – Required Documents.

Student loans often have extremely high interest rates and feature no flexible or affordable repayment options, leaving borrowers with little recourse when faced with a financial struggle or short-term unemployment.

When borrowers fall behind, they often face aggressive debt collection tactics and lawsuits, all without the benefit of the type of bankruptcy protection available to consumers with other types of debt.

This is worse for borrowers pushed into high-rate debt by for-profit colleges and predatory lenders. Lenders often know that borrowers would struggle to repay these debts, using the bankruptcy code and the courts to recover debts.

Why we need this bill:

- Creditors often lie to the courts claiming they have documentation to prove they have the legal right to pursue private student loan debt.
- The National Collegiate Student Loan Trusts (NCSLT) is one of these creditors. The federal government has ordered NCSLT to pay over \$20 million for its deception.
- This isn't exclusively a "for profit school" problem-- economically vulnerable borrowers are targeted by predatory private lenders across all higher education institutions.

For these reasons we urge you to move favorably on SB 165. Thank you.

