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**AAUW**  
of Massachusetts



GREATER BOSTON  
LEGAL SERVICES  
... and justice for all



**MASSPIRG** | Massachusetts Public Interest Research Group



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STUDENT BORROWER  
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# »» STUDENT DEBT ACROSS MASSACHUSETTS

**\$33 BILLION**  
Outstanding student debt in MA<sup>1</sup>

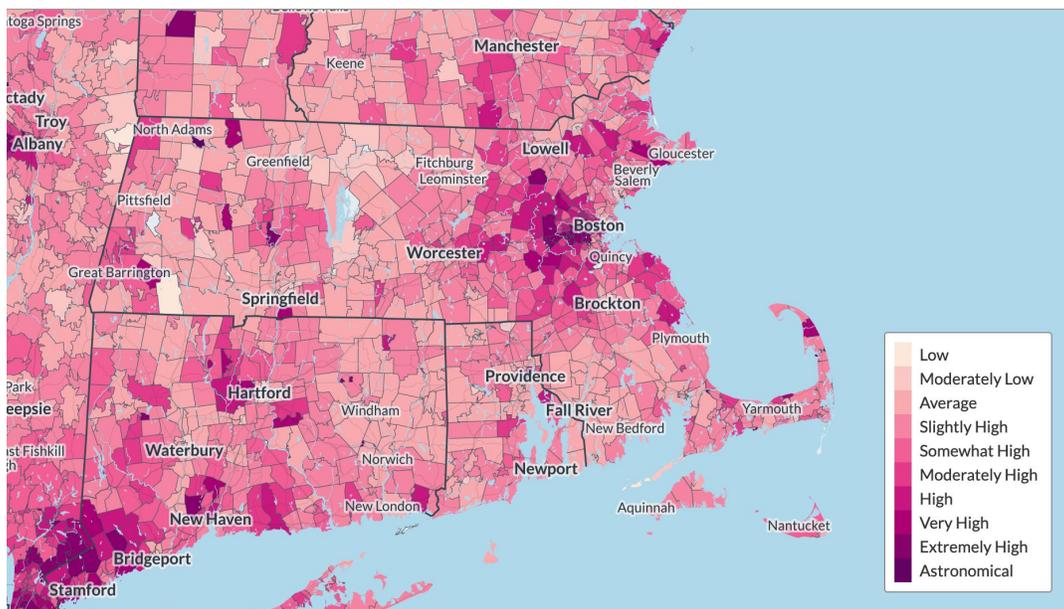
**1.04 MILLION**  
Student Loan Borrowers<sup>2</sup>

**\$32,000**  
Average Student Debt at Graduation<sup>3</sup>

**122%**  
Increase in per capita debt<sup>4</sup>

**12th**  
MA rank among States who have highest average debt at graduation<sup>5</sup>

## AVERAGE STUDENT LOAN BALANCE ACROSS MASSACHUSETTS



Source: [Mapping Student Debt](#)

<sup>1</sup> [50 state snapshot of student debt](#) - A nationwide look at complaints about student loans (2017), Consumer Financial Protection Bureau

<sup>2</sup> 865,100 federal student loan borrowers plus 182,000 private student loan borrowers, sources for figures respectively: [Federal Student Aid](#) and [Mass.gov](#)

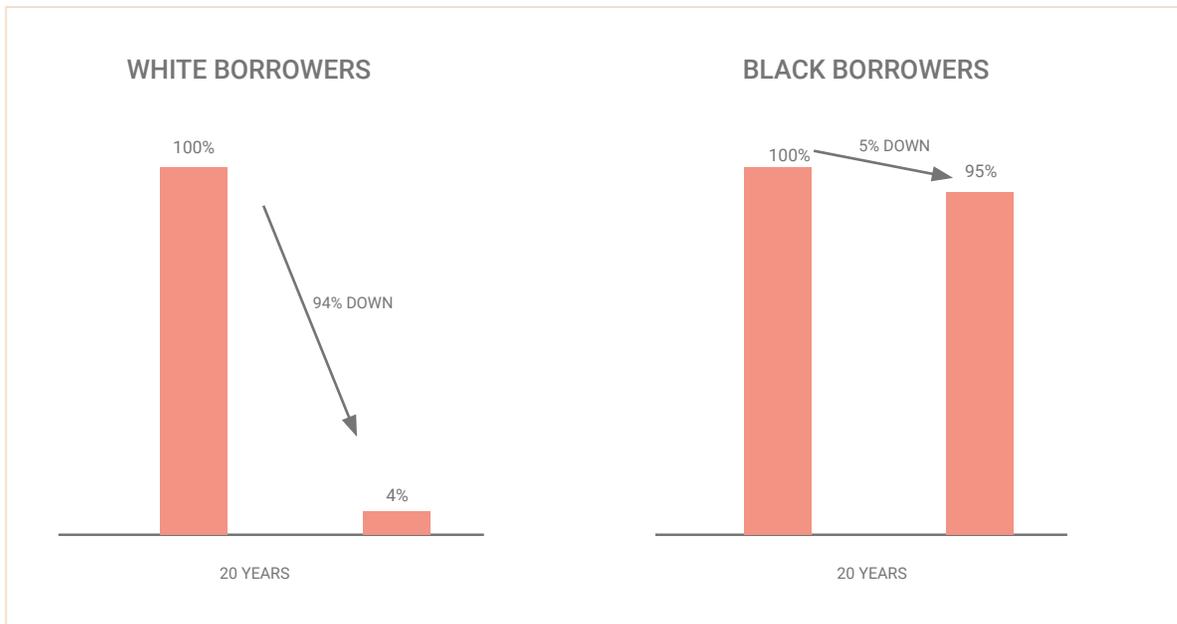
<sup>3</sup> [Student Debt and the Class 2018](#), (2019), The Institute for College Access and Success.

<sup>4</sup> "Educated and Encumbered: Student Debt Rising with Higher Education Funding Falling in Massachusetts" (2018), Massachusetts Budget and Policy Center.

<sup>5</sup> [Student Debt and the Class 2018](#), (2019), The Institute for College Access and Success.

# STUDENT DEBT IS A RACIAL JUSTICE ISSUE

- » For all people of color in the US, repaying student debt is disproportionately burdensome<sup>6</sup>.
- » Black college graduates owe \$7,400 more on average than their white peers.
- » The Black-white debt gap more than triples to \$25,000 over the next few years after graduation.
- » 1/3 of all Black or African American borrowers default on their loans within six years of starting college<sup>7</sup>.



Twenty years after starting college, the median debt of White borrowing students has been reduced by 94 percent—with almost half holding no student debt—whereas Black borrowers at the median still owe 95 percent of their cumulative borrowing total<sup>8</sup>.

<sup>6</sup> [The Continued Student Loan Crisis for Black Borrowers](#). (2019), The Center for American Progress.

<sup>7</sup> [Promote economic and racial justice](#). (2020), The Washington Center for Equitable Growth.

<sup>8</sup> [Stalling Dreams - How Student Debt is Disrupting Life Chances and Widening the Racial Wealth Gap](#). (2019), The Institute on Assets and Social Policy (IASP) at Brandeis University.

# A DANGEROUSLY UNREGULATED STUDENT LOAN SERVICERS INDUSTRY AGGRAVATES THE STUDENT DEBT CRISIS

Servicers have been, at best, incompetent and predatory at worst, knowingly misleading borrowers to increase their profits.

Predatory, deceptive, or unfair industry practices harm the most vulnerable individuals and prevent thousands of borrowers from obtaining the student debt relief they are entitled to.

 MassLive.com

**Citing federal inaction, Sen. Eric Lesser and education advocates aim to create 'student loan bill of rights'**

Eric Lesser and education advocates aim to create 'student loan bill of rights' ... small children and \$25,000 in student loan debt when she was diagnosed with cancer. ... "If she stayed in Massachusetts, she would

Jul 8, 2019



**INSIDE HIGHER ED**

**Court denies student loan servicer's bid to dismiss Massachusetts lawsuit**



**Mass. AG Sues Loan Servicer for Mishandling Loan Forgiveness Program**

By Andrew Knightbaum | August 24, 2017

 Reuters

**Massachusetts can sue federal student loan servicer, judge rules**

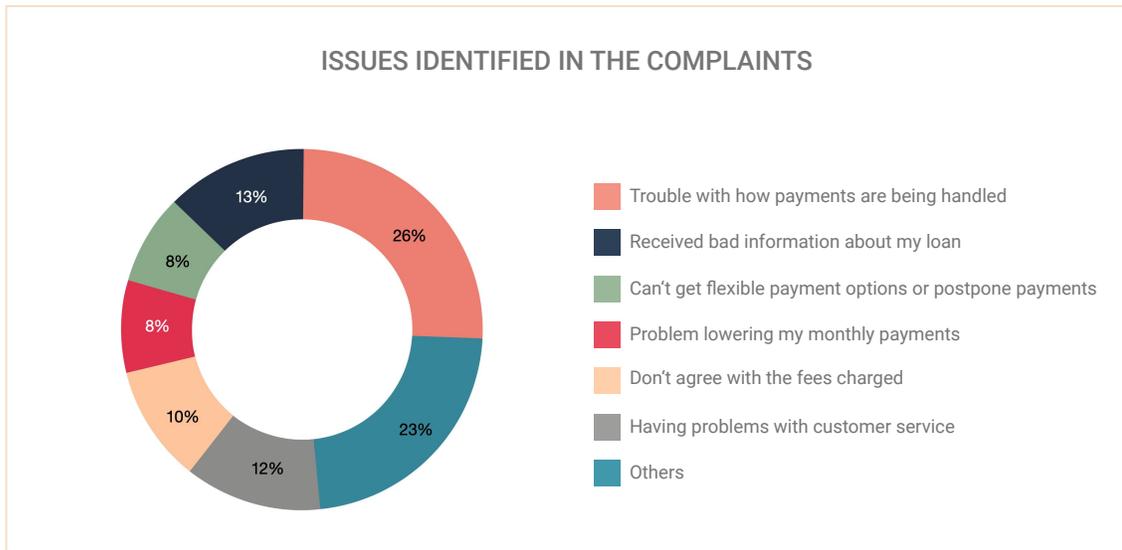
BOSTON (Reuters) - Massachusetts' attorney general can move forward with a lawsuit alleging that one of the largest student loan servicers in ...

Mar 1, 2018

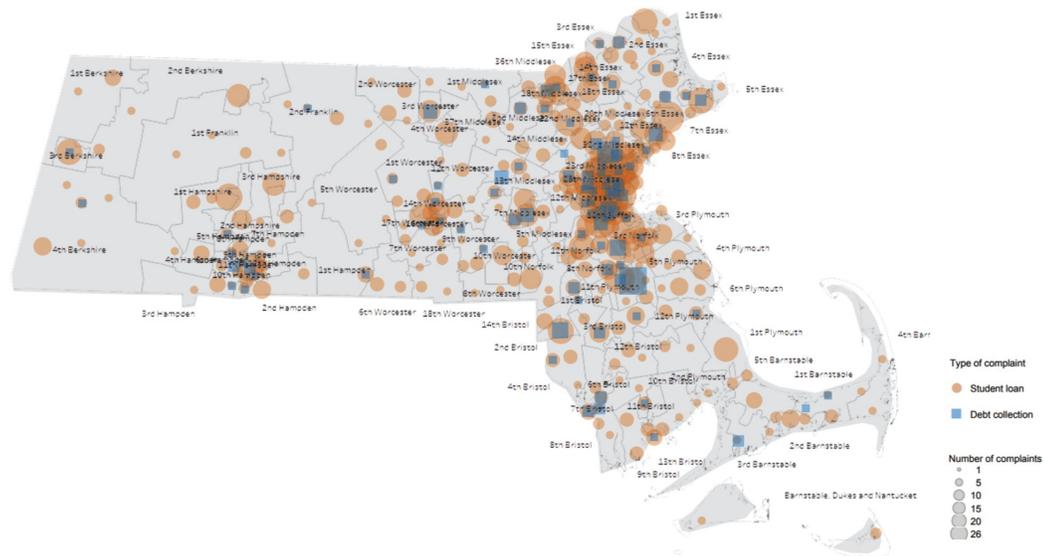


## WHAT BORROWERS ARE SAYING

Over 1,300 complaints were submitted to the Consumer Financial Protection Bureau from MA student loan borrowers.<sup>9</sup>



## DISTRIBUTION OF COMPLAINTS FROM STUDENT LOAN BORROWERS IN MASSACHUSETTS



Map shows complaints by geocoded zip code. Map generated by Student Borrower Protection Center, [www.protectborrowers.org](http://www.protectborrowers.org).<sup>10</sup>

<sup>9</sup> Complaints handled by the CFPB from July 21, 2011 through September 30, 2017

<sup>10</sup> [Consumer.Financial.Protection.Bureau](http://Consumer.Financial.Protection.Bureau)

# WHY DO WE NEED A STUDENT LOAN BILL OF RIGHT IN MASSACHUSETTS?

The Student Loan Borrower Bill of Rights is common sense legislation which would provide basic consumer protections for student loan borrowers, including:

- a consumer assistance unit, for students and their families to get information on student loans and resources for navigating repayment.
- An in-state ombudsman that borrowers can contact with complaints or questions
- mandatory licensure and regulation for servicers,
- regulations that would prohibit servicers from engaging in predatory, unfair, and unlawful practices.

To Learn more about Why we need a Student Loan Bill Borrower of Rights in MA, click [HERE](#)

**TAKE ACTION NOW TO SUPPORT  
THE STUDENT LOAN BORROWER  
BILL OF RIGHTS IN MA**

<https://actionnetwork.org/letters/slbr-urgent>

## STUDENT LOAN BORROWERS' COMPLAINTS

The following complaint narratives were selected among the thousands of complaints submitted by student loan borrowers across Massachusetts and published in the Consumer Financial Protection Bureau's public complaint database.

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"My monthly payments to XXX are {\$230.00}. I can not find full time work in my field so I work only making about {\$15000.00} a year. My rent is {\$600.00} a month. My car payments are {\$210.00} a month. My car insurance ( required by MA ) is {\$240.00} a month. Utilities amount to about {\$200.00} a month. As I have sent all of this information to my servicer, but they have told me I can not lower my payments or go on an income based payment plan. They will not cancel direct debit, meaning it is difficult to make rent. I can not afford to pursue a higher degree because my debt is too high to get another loan, meaning I can not get a better higher paying job. I have sent XXXX my documents and information as it relates to trying to lower my payments but I never got a response." Zip code: 014XX<sup>11</sup>

"I have spent over a year attempting to certify employment for PSLF. After submitting the form three times, and having my employer send a letter to XXXX, they continue to claim that my form is not complete and they can not certify my employment. I have contacted XXXX dozens of times in an attempt to resolve the problem, yet have not received appropriate assistance or a solution to my problem. It is unacceptable for a simple 2 page form to consume hours worth of my time because of a servicer's inability to comply with student loan policies and procedures."<sup>12</sup> Zip Code: 020XX

"This is the second time this has happened. I successfully reapplied for my Income Based Repayment through XXXX, and thought that I was all set to stay on my Income Based Repayment plan. For a reason unbeknownst to me, I have been removed from that plan and told to reapply, and so my accrued interest has been immediately capitalized, and I have been moved to a flat payment where the payment amount is so high and causes a financial hardship. The first time this happened, in XXXX, the customer service representative put me into forbearance and told me that they never received my income documentation that I had sent. It then took Navient 3 months to get me back on the plan (original complaint filed XXXX XXXX, finally placed on plan in XXXX XXXX ). This time, I have not been able to speak to customer service, and do not want to go into forbearance, so I will have to make this payment while trying to get back on the plan. But I will have had the interest capitalized, which adds to the hardship."<sup>13</sup> Zip Code: 021XX

"I have a loan that I cosigned for my younger brother. He was having payments taken out automatically on the XX/XX/XXXX of the month, and Navient stopped taking them out without warning in 2018. When we were told he was behind on payments, my brother called in to have payments started again, which was supposed to occur on XX/XX/XXXX. Meanwhile, Navient reported ME to credit agencies, dropping my credit score from [redacted] to [redacted] when it was their mistake. It is the XX/XX/XXXX, and payment has not been processed for my brother's loan at this time." (servicemember)<sup>14</sup> Zip Code: 021XX

<sup>11</sup> Complaint number: 3031889  
<sup>12</sup> Complaint number: 3059980  
<sup>13</sup> Complaint number: 2393735  
<sup>14</sup> Complaint number: 2963988