



WISCONSIN LEGISLATURE

P.O. Box 7882 Madison, WI 53707-7882

May 3, 2017

Brad Schimel, Attorney General
East Wing
State Capitol
Madison, WI

Dear Attorney General Schimel,

Recently twenty-one state attorneys general wrote to Education Secretary Betsy DeVos to voice their concern with her decision to repeal crucial protections for student loan borrowers put in place by the Department of Education under President Obama.

As you are likely aware, the protections were put in place in response to increasing complaints from loan holders with respect to delays in getting their payments processed, poor communication, the charging of unexpected fees and what has been described as “systemic mistreatment” of borrowers by student loan servicing companies.

Student loan servicing companies have also been accused of pushing borrowers into more expensive payment plans instead of options that help them better afford their monthly payments and avoid default in order to increase their own profits. Currently, student loan servicing corporations are paid approximately \$800 million by the federal government to service \$1.1 trillion in federal student loans.

The rules were also put in place to reduce the number of borrowers who default on their loans and required the Federal Student Aid office to better help borrowers manage their debt. In 2016 over \$137 billion in federal student loans were in default. The Government Accountability Office recently found that 70 percent of those who defaulted on their student loans qualified for lower monthly payments had they been offered that option.

Secretary DeVos’s action followed shortly after the National Council of Higher Education Resources lobbied Congress to delay or significantly change the rules. And shortly after her decision, Navient, one of the nation’s largest servicing corporations and the subject of numerous lawsuits alleging abusive practices, saw its stock increase by almost 2 percent suggesting that Navient’s investors believed repeal of these rules were advantageous to Navient and their own bottom line.

The timing of Secretary DeVos’s decision calls into question whether she is choosing to side with the corporations who service student loans over the concerns raised by student loan borrowers and taxpayers who are demanding greater accountability by the loan servicing industry.

Unfortunately, Wisconsin is not represented on the letter to Secretary DeVos despite our state having nearly 1 million student loan borrowers with an accumulated student loan debt of over \$19 billion raising a similar question as to where our Attorney General stands on this critical issue.

With national student loan debt surpassing \$1 trillion for the 5th year and Wisconsin continuing to have one of the highest rates of graduates with student loans in the country, more needs to be done to lower the risk of default, make repayment affordable, and protect borrowers and taxpayers.

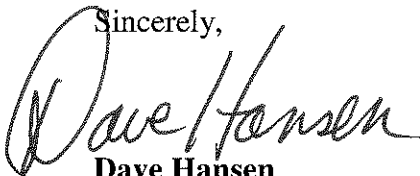
As authors and sponsors of the Higher Ed/Lower Debt Bill we believe student loan borrowers in Wisconsin deserve to have the opportunity to refinance their student loans at lower rates so they can use the savings to spend and invest in our state's economy.

We also believe the rules put in place under President Obama were designed to level the playing field between student loan borrowers and the giant corporations that are paid with our tax dollars to service those loans and that those rules should be kept in place.

For these reasons and more we respectfully request that Wisconsin, as represented by our Attorney General, join the 21 states that have voiced their concern and opposition to the repeal of these critical consumer protections by Secretary DeVos.

Thank you for your consideration of our request. We look forward to your response.

Sincerely,



Dave Hansen
State Senator



Jennifer Shilling
State Senator



Cory Mason
State Representative



Peter Barca
State Representative



Tim Carpenter
State Senator



Jon Erpenbach
State Senator



LaTonya Johnson
State Senator




Chris Larson
State Senator



Mark Miller
State Senator



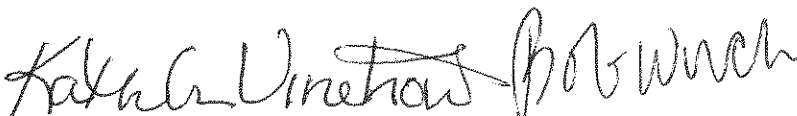
Janis Ringhand
State Senator



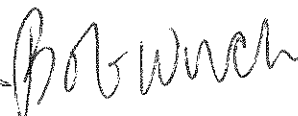
Fred Risser
State Senator



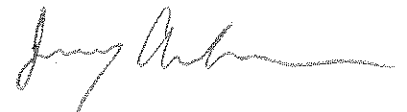
Lena Taylor
State Senator




Kathleen Vinehout
State Senator




Robert Wirch
State Senator



Jimmy Anderson
State Representative


Terese Berceau
State Representative


Jill Billings
State Representative

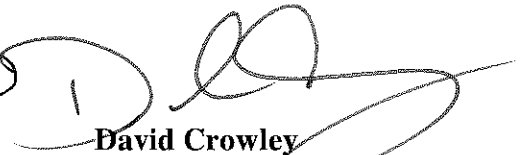

David Bowen
State Representative




Jonathan Brostoff
State Representative




Dave Considine
State Representative



David Crowley
State Representative

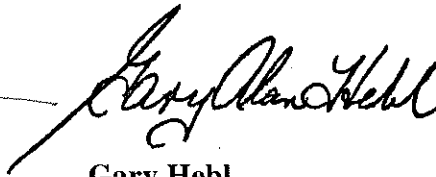

Steve Doyle
State Representative


Jason Fields
State Representative


Eric Genrich
State Representative



Evan Goyke
State Representative



Gary Hebl
State Representative



Dianne Hesselbein
State Representative



Gordon Hintz
State Representative



Frederick Kessler
State Representative



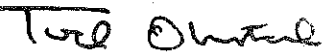
Deb Kolste
State Representative



Beth Meyers
State Representative



Nick Milroy
State Representative



Tod Ohnstad
State Representative




Sondy Pope
State Representative





Daniel Riemer
State Representative

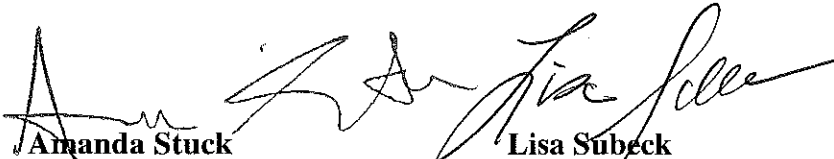


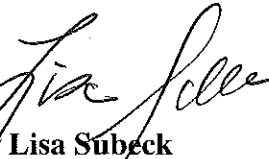
Melissa Sargent
State Representative

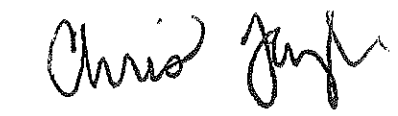

Katrina Shankland
State Representative

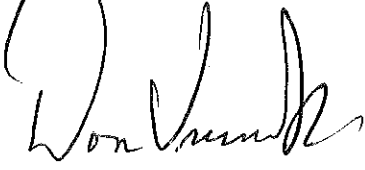

Chris Sinicki
State Representative

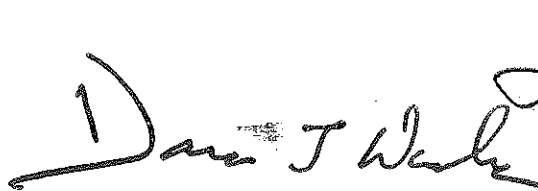

Mark Spreitzer
State Representative

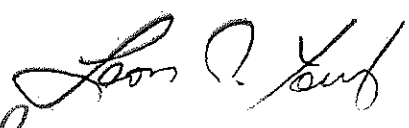

Amanda Stuck
State Representative

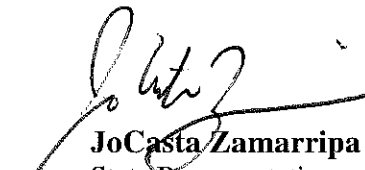

Lisa Subeck
State Representative


Chris Taylor
State Representative


Don Vruwink
State Representative


Dana Wachs
State Representative


Leon Young
State Representative


JoCasta Zamarripa
State Representative


Josh Zepnick
State Representative