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HR-118 (2021-2022)

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REVISED AUGUST 04, 2022

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

HOUSE RESOLUTION

NO. 118

Introduced by Assembly Member Mia Bonta

(Coauthors: Assembly Members Aguiar-Curry, Alvarez, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Bryan, Calderon, Carrillo, Cervantes, Chen, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Mike Fong, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Haney, Holden, Irwin, Jones-Sawyer, Kalra, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McKinnor, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Rendon, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Valladares, Villapudua, Ward, Akilah Weber, Wicks, Wilson, and Wood)

June 13, 2022

Relative to Student Loan Debt Awareness Month.

LEGISLATIVE COUNSEL'S DIGEST

HR 118, as introduced, Mia Bonta.

WHEREAS, More than 45,000,000 Americans collectively owe approximately \$1.7 trillion in student loan debt; and

WHEREAS, There are nearly 4,000,000 Californians carrying roughly \$140,000,000,000 in student loan debt, with the average amount owed around \$38,530; and

WHEREAS, Federal student loans come with basic consumer protections and have fixed interest rates, hardship deferment provisions, and default rehabilitation options; and

WHEREAS, Federal loans also come with federal programs that provide affordable repayment options and federal public service loan forgiveness programs; and

WHEREAS, Private student loans have no connection to the federal government, lack the same consumer protections as federal loans, are awarded based on credit history, have variable interest rates, and provide neither hardship deferment provisions, nor repayment options, nor forgiveness plans; and

WHEREAS, More than 650,000 Californians hold private student loans totaling over \$10,300,000,000; and

WHEREAS, Black and Latino borrowers disproportionately take out more student loan debt than other populations to access higher education; and

WHEREAS, Black and Latino borrowers frequently experience higher rates of delinquency and default; and

WHEREAS, Two-thirds of the total national student debt is held by women, who only account for 57 percent of total higher education enrollment, and Black women accrue more student loan debt in their undergraduate education than any other group; and

WHEREAS, In 2019, the Assembly established the Select Committee on Student Debt to address the state's student loan debt crisis; and

WHEREAS, The Budget Act of 2020 created the California Student Loan and Debt Service Review Workgroup within the Student Aid Commission to research strategies and make recommendations on how the state could best assist student loan borrowers; and

WHEREAS, In 2020, California passed Assembly Bill 376 (Chapter 154 of the Statutes of 2020), which added a chapter titled the Student Borrower Bill of Rights and greatly expanded student borrower rights and consumer protections, including by establishing a Student Loan Ombudsman to assist borrowers; and

WHEREAS, The Department of Financial Protection and Innovation oversees the provisions of Assembly Bill 376, as well as licenses and regulates student loan servicers operating in California; and

WHEREAS, The public health and economic crises caused by the COVID-19 pandemic resulted in federal action to provide relief to student borrowers; and

WHEREAS, The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) enacted a pause on federal student loan principal and interest payments, which has been extended by executive action through at least August 31, 2022; and

WHEREAS, The federal Public Service Loan Forgiveness (PSLF) program was created to provide public service workers with federal student loan debt relief in exchange for a decade of public service in their communities; and

WHEREAS, The PSLF program is designed to support individuals working in vitally important public service jobs in sectors such as nonprofits, social services, health care, law enforcement, government at all levels, and other public service professions; and

WHEREAS, Since its creation, the PSLF program has suffered from multiple problems, including a lack of outreach to eligible borrowers, processing errors, and failing to provide correct information about program guidelines; and

WHEREAS, On October 6, 2021, the United States Department of Education overhauled the PSLF program for a limited time, providing previously ineligible borrowers with a limited PSLF waiver to receive credit toward loan forgiveness for their years of public service work; and

WHEREAS, The limited PSLF waiver ends October 31, 2022, and borrowers must take action to apply by that date; and

WHEREAS, The Assembly seeks to raise awareness of, as well as increase, the number of Californians accessing federal repayment and loan forgiveness programs; now, therefore, be it

Resolved by the Assembly of the State of California, That the Assembly hereby declares the month of August 2022 as Student Loan Debt Awareness Month in California, and urges all employers, especially public service employers and state agencies, to engage in outreach and notification to employees about the various student loan programs during this month; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the author for appropriate distribution.

REVISIONS:

Heading—Line 2.
