Coalition calls on AG Yost to stop collecting student debt during COVID-19 crisis

Today, Policy Matters Ohio, The Ohio Student Association, Innovation Ohio and College Now Greater Cleveland asked Ohio Attorney General David Yost to immediately cease collection on student debt that has been turned over to his office by Ohio’s public colleges and universities.

Coalition members will discuss their recommendations today on Facebook Live at 4 p.m.

“We all want to live in an Ohio with a thriving higher education system and an economy that works for us,” said Ohio Student Association Executive Director Prentiss Haney. “Today, many Ohioans are out of work and students are at home trying to juggle finishing out the semester online and supporting their families. Now is not the time to saddle Ohio’s students and their families with more debt. We need to pull together and bring relief to debt-holders who will have to make a living in a drastically different economy than two months ago.”

The group pointed to a recent Policy Matters Ohio report which showed how state law requiring public colleges and universities to send student debt to the Ohio Attorney General results in ballooning fines and fees against thousands of Ohioans each year. This practice especially harms students at two-year colleges and Ohio’s only public historically Black university Central State, which serve higher proportions of Black, Latinx, first-generation, part-time and older students.

“As a college instructor, I see the challenges the growing cost of higher education poses for students,” said Stephen Dyer, Education Policy Fellow at Innovation Ohio. “Assisting these students so they can finish their post-secondary education or training will pay off for the country and help it recover faster from our economic crisis.”

The AG’s office and Ohio’s public colleges and universities agreed to stop the certification of new student debt until April 27 at the soonest. The office will also work with individual institutions to review previous requests for relief from debt collection on a case-by-case basis.

“Attorney General Yost made smart, compassionate decisions to temporarily alleviate the stress of student debt for many Ohioans,” said Policy Matters Ohio Researcher Piet van Lier. “He can and should go further to help people weather the COVID-19 crisis.”

The group issued six main recommendations to AG Yost:

1. Extend the Memoranda of Understanding with Ohio’s higher education institutions to stop new certification of student debt at least through the end of the pandemic.
(2) Suspend state and third-party collections efforts on all active student debt and automatically pause any active payment plans without penalty to the debtor.

(3) Stop the accrual of interest, fees or fines on active student debt accounts for the duration of the suspension.

(4) Suspend special counsel collections efforts to collect on student accounts, immediately halting debt practice collections of garnishing wages, seizing state tax refunds or bank accounts, and initiating foreclosure proceedings.

(5) Reduce by 30% the amount of student debt owed by individuals who are out of work because of the crisis.

(6) Report missed payments to credit bureaus as on-time payments.

“College Now works every day to make postsecondary education attainable for students of all ages, income levels, and backgrounds,” said Julie Szeltner, Senior Director of Adult Programs, College Now Greater Cleveland. “Continuing to collect on past institutional debt through the Attorney General’s office runs counter to that goal, causing those who can least afford it to fall deeper into debt at a time when they need relief more than ever.

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.