



April 15, 2020

Mr. Dave Yost
Ohio Attorney General
30 E. Broad St., 14th Floor
Columbus, Ohio 43215

Re: Stopping the collection of student debt owed to Ohio higher educational institutions by the Ohio Attorney General's office during the coronavirus pandemic

Dear Attorney General Yost,

We are writing to request that the Attorney General's office immediately cease its collection efforts on any and all student debt that has been turned over to your office by Ohio's public colleges and universities.

We applaud the following steps your office has taken during the first weeks of the coronavirus pandemic:

- (1) Entering into negotiations between your office and the state's public colleges and universities to stop the certification of new student debt through April 27, with a plan to reassess the end date as the crisis unfolds.
- (2) Agreeing to review requests for relief from ongoing collection of previously certified debt on a case-by-case basis with the full cooperation of and direction from individual institutions.

We are very grateful that these steps are being taken now, when many Ohioans need protection and support to get through this crisis.

However, collecting on debt already with the AG's office runs counter to other steps other government entities are taking, at all levels, to provide relief during the pandemic.

We are particularly concerned because a recent report by Policy Matters shows that the Ohioans hit hardest by the state's approach to student-debt collection are students who can least afford it, including lower-income students and students of color, as well as first-generation, part-time, and older students.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, recently signed into law, provides a good model for Ohio. That legislation includes the automatic suspension of collection of and payments on federal student loan debt, with suspended payments reported as on-time to national credit bureaus and runs through September 30, 2020.

With federal action as a guideline, we recommend the Attorney General:

- (1) Extend the Memoranda of Understanding that are being signed with Ohio's higher education institutions to stop new certification of student debt at least through the end of the pandemic, and consider extending it beyond that to allow time for a possible resurgence of the virus and for economic recovery.
- (2) Suspend state and third-party collections efforts on all student accounts in the Attorney General's active database and automatically pause any active payment plans without penalty to the student debtor.

- (3) Stop the accrual of interest, fees or fines on active student debt accounts for the duration of the suspension to ensure individuals who owe money are not suddenly responsible for increased payments once the crisis passes.
- (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. This percentage is based on the assumption that families and students who have been laid off since March and don't find new jobs while the economy is shut down could lose up to half of their annual income, depending on the length and severity of the downturn.
- (6) Report missed payments to credit bureaus as on-time payments.

Another model may be New York, where in response to the pandemic the Attorney General and Governor have temporarily suspended collection of student and medical debt and automatically suspended the accrual of interest and collection of fees on outstanding debt referred to the Attorney General for collection so New Yorkers are not penalized for taking advantage of the program.

While these recommendations are focused on this moment of crisis, we also urge you and other stakeholders to consider long-term solutions. Ohio's approach to the collection of student debt is punitive and goes against the state's goals to increase the percentage of Ohioans who have a postsecondary degree, credential, or certificate, and to increase adult postsecondary enrollment.

We ask that you recommend state legislative leaders change the collections procedure in Ohio Revised Code that requires your office to collect institutional student debt for Ohio's public colleges and universities. Ideally, the legislature should eliminate the Attorney General's role in collecting debt. At the very least, the legislature should change the code to allow maximum flexibility not only to your office but to colleges and universities as they work with students who accrue institutional debt.

The recently released Policy Matters report highlights several Ohio schools that are taking a more supportive approach that focuses on debt forgiveness, re-enrollment, extra advisory services, and degree completion. These programs not only bring students back to school and closer to completion, but they provide a positive return on investment for colleges and universities and, expanded and supported statewide, would help Ohio reach its educational goals.

Thank you for your consideration.

Sincerely,

Policy Matters Ohio
College Now Greater Cleveland
Ohio Student Association
Innovation Ohio

Cc:

Governor Mike DeWine
Randy Gardner, Chancellor, Ohio Department of Higher Education