

Sen. Smith: Wisconsin Democrats push for stronger protections for student loan borrowers

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MADISON —Senators Diane Hesselbein (D-Middleton), Jeff Smith (D-Brunswick), and Dora Drake (D-Milwaukee), along with Representatives Alex Joers (D-Waunakee) and Angela Stroud (D-Ashland) have introduced LRB-0463/LRB-6339 to strengthen oversight of student loan servicers and protect Wisconsin borrowers from predatory and deceptive practices.

The legislation follows recommendations from the Governor's [Task Force](#) on Student Loan Debt creating an Office of the Student Loan Ombudsman and a Student Loan Borrower's Bill of Rights. With college costs continuing to rise, the bill aims to bring new oversight to a system that too often leaves borrowers frustrated.

"Student loan borrowers deserve clear answers and a fair shot at repayment, not a maze of fine print and roadblocks," said Sen. Jeff Smith. "This bill puts borrowers first by holding servicers accountable and giving people a place to turn when things go wrong."

The Student Loan Ombudsman would help borrowers understand their rights, resolve disputes and identify patterns of abuse or fraud. The bill also requires student loan servicers operating in Wisconsin to be licensed through the ombudsman's office and sets standards for servicer conduct. This includes requiring attempts at income-based repayment before declaring a borrower in default.

"There will be negative financial and economic consequences for Wisconsinites if we continue to wait to address the student loan crisis," said Sen. Dora Drake. "No governmental entity is looking out for the financial security of borrowers. Our

legislation will make our state a leader in holding bad actors accountable.”

“Student loans should open doors, not trap people in debt,” said Rep. Alex Joers. “By creating clear rules and real oversight, this legislation helps level the playing field and ensures servicers work for borrowers, not against them.”

Hundreds of thousands of Wisconsinites carry student loan debt totally more than [\\$23 billion](#). This legislation provides borrowers with the protections and resources they need. The co-authors of this bill welcome bipartisan collaboration to ensure a fair, responsible student loan system for Wisconsin families.

The deadline for legislators to cosponsor LRB-0463 and LRB-6339 is this Friday, February 13th.