



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-1988/1
ARG:ahe&wlj

DOA:.....Mott, BB0349 - Student loan refinancing study

FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

HIGHER EDUCATION

1. Student Loan Refinancing Study Committee

This bill creates the Student Loan Refinancing Study Committee consisting of the secretary of financial institutions, the state treasurer, and the executive secretary of HEAB. The committee's purpose is to study the creation and administration of a bonding authority for the refinancing of student loans to ease the student loan debt burden. The committee must submit a report to the governor and the legislature that includes 1) recommendations regarding the corporate and legal structure of the refinancing entity, including governance; 2) a profile of the loan portfolio, projected costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of a financing entity that offers interest rate savings to student loan debtors; and 3) an assessment of the feasibility of and options for offering borrower protections similar to those under federal student loan programs.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 9151. Nonstatutory provisions; Other.

(1) STUDENT LOAN REFINANCING STUDY COMMITTEE.

(a) There is created the student loan refinancing study committee to study the creation and administration of a bonding authority for the refinancing of student loans in this state in order to ease the burden of student loan debt for this state's residents.

(b) The student loan refinancing study committee shall consist of the following members:

1. The secretary of financial institutions.
2. The state treasurer.
3. The executive secretary of the higher educational aids board.

(c) No later than October 1, 2020, the student loan refinancing study committee shall submit to the governor and to the chief clerk of each house of the legislature, for distribution to the appropriate standing committees under s. 13.172 (3), a report that includes all of the following:

1. Recommendations regarding the corporate and legal structure of the refinancing entity, including governance.

2. A profile of the loan portfolio, projected start-up and operational costs, estimated staffing needs, underwriting requirements, and other information pertinent to the creation of a refinancing entity that can offer interest rate savings to this state's student loan debtors.

3. An assessment of the feasibility of and options for offering protections to borrowers refinancing student debt through the refinancing entity that are similar to the protections under federal student loan programs.

(d) The department of financial institutions shall pay the administrative expenses of the student loan refinancing study committee, not exceeding a total of \$50,000, from the appropriation account under s. 20.144 (1) (g).

(e) The student loan refinancing study committee terminates upon the submission of the report under par. (c).

(END)