



1107 9<sup>th</sup> Street, Suite 625 • Sacramento, CA 95814 • (916) 498-9608 • [mail@consumercal.org](mailto:mail@consumercal.org)

June 5, 2017

The Honorable Mark Stone  
Chair, Assembly Judiciary Committee  
State Capitol, Room 3146  
Sacramento, CA 95814

**RE: SB 16 (Wieckowski) Wage garnishment restrictions: exempt earnings: student loans - SUPPORT**

As Introduced December 5, 2016

Assembly Judiciary Committee – June 13, 2017

Dear Assemblymember Stone:

The Consumer Federation of California (CFC) writes in support of Senate Bill 16 (Wieckowski), legislation that would create greater consumer protections for students who take out loans from private lenders to pay for their education.

Currently, if a borrower defaults on a private student loan, the creditor can garnish up to 25% of that person's disposable income. SB 16 would match the private garnishment maximum to the Federal garnishment maximum of 15%.

More than 40 million Americans have student loan debt. At \$1.3 trillion, education debt outpaces credit card debt as the leading source of household debt. These mortgage-sized loans cause many graduates to postpone buying a home, getting married, starting a family, and saving for retirement. And while average student debt hit a record above \$30,000 this year, income growth has not kept pace with the rise in student loans or housing costs.

There are many programs in place to assist borrowers with Federal student loans, such as income based repayment plans or public service loan forgiveness. Meanwhile, private lenders are not required to, and usually don't, offer different repayment options based on a borrower's circumstances.

There is no rationale for treating a struggling borrower with private loans any differently than one with Federal loans. SB 16 will provide urgently needed protections to private student loan borrowers.

I respectfully urge you to vote "Aye" on SB 16.

Sincerely,

Richard Holober  
Executive Director

cc: Members and Committee Staff, Assembly Judiciary Committee  
Senator Wieckowski