



**Colorado Student Loan Lawyers**  
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**WRITTEN TESTIMONY OF KAREN CODY-HOPKINS BEFORE THE COLORADO  
SENATE EDUCATION COMMITTEE IN SUPPORT OF SB19-057**

**“Employee Information Student Loan Repayment Programs”**

Feb. 22, 2019

Thank you for the opportunity to submit written testimony in support of SB19-057 seeking to better educate state employees about federal and other student loan repayment plan options and various student loan forgiveness programs, especially the federal Public Service Loan Forgiveness Program (PSLF).

**I am Karen Cody-Hopkins. I am a Colorado student loan lawyer. There are only about 5 lawyers in Colorado who do student loan cases, and my office probably does the majority of such cases. Our phone is ringing off the hook!** This whole area of practice is new, the number of knowledgeable lawyers few, and the people who need help are many! There is a federal ombudsman program, but it can take months to respond. And just as the Consumer Financial Protection Board (CFPB) was having a positive impact by providing a place to file student loan complaints, it was emasculated by the current Administration. And increasingly, **navigating to make good choices about student loans is difficult because there are now many options – with varying eligibility – but few places to turn to get questions answered or a borrower’s options explained.**

I am not here today to represent myself but really to represent the thousands of Colorado employees who were students but now have or are experiencing student loan problems. I checked my files, and I believe I have had multiple clients from every District represented on this Committee.

As a Colorado student loan lawyer, many, if not most, of my clients have been under or misinformed by their student loan servicers or collectors. Most have not been given the full range of repayment, forgiveness or discharge options. Part of the problem is that the range of options has become more complex. There at least 27 federal student loan types, but 4 types are mainstream – Direct, FFEL, Perkins, and Parent Plus. Many people have multiple types. And many also have private student loans.

The federal government now offers **MULTIPLE FEDERAL REPAYMENT OPTIONS:** 4 time based repayment programs, 5 mainstream income driven repayment plans [IDR], and one rarely used “alternative” option.

There are also **TEACHER FORGIVENESS PROGRAMS, PERKINS LOAN CANCELLATION PROGRAMS,** and there are multiple federal student loan **DISCHARGES** -- Total and Permanent Disability Discharge; Undue Hardship (bankruptcy Adversary (about 26 granted in Colorado since



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1998); Death; Closed School; False Certification of Student Eligibility or Unauthorized Signature/Unauthorized Payment Discharge; and Unpaid Refund.

So better educating state employees [and the associated eligible groups like teachers, police, etc.] about their student loan repayment options will be a huge benefit. Almost all employees either are or can be made eligible for the PSLF program which is a ten year path to \$0 student loans. Borrowers make ten years of monthly student loan payments **that meet the seven eligibility criteria** set forth on the attached sheet, apply to confirm that their payments meet the eligibility criteria, and once approved, have the balance of their federal student loans forgiven! This is a huge financial benefit to employees and their families.

Although the PSLF has had problems in granting forgiveness in its **first year** when borrowers could have their loans forgiven, I believe those problems can and will be fixed, and the Program should be able to help many. But few know the program exists or how to properly complete the Program. And now, some the bad publicity about the initial low PSLF forgiveness is discouraging eligible borrowers -- so now is an important time to promote the program's value.

Most of my work is with student loan borrowers who have problems or are just completely misinformed. It is shocking how few have ever been told about the full range of repayment options or PSLF or other forgiveness programs or discharges.

I urge you to support SB19-057. Colorado state employees have a very valuable but somewhat hidden employee benefit. Enhance their appreciation of you—their employer – by helping them get good, timely advice about options to make repaying or getting their student loans forgiven easier. This educational information will allow you to keep and attract the best employees.

**I believe this straightforward bill would help many Colorado state employees and their families – who are also your constituents. I ask ALL committee members to vote YES on SB19-057.**