

State of Wisconsin -- Office of the State Treasurer

B38W, State Capitol
Post Office Box 7871
Madison, WI 53707
Email: treasurer@wi.gov
Phone: 608-266-1714



Sarah Godlewski
State Treasurer

FOR IMMEDIATE RELEASE

Contacts: Sarah Smith, sarah.smith@wi.gov ;
Melanie Conklin, melanie.conklin@dfi.wi.gov

Treasurer Sarah Godlewski, Secretary-designee Kathy Blumenfeld, and Executive Secretary Connie Hutchison discuss problem of student loan debt in Wisconsin

MADISON- Treasurer Sarah Godlewski, Department of Financial Institutions Secretary-designee Kathy Blumenfeld, Executive Secretary of the Higher Educational Aids Board Connie Hutchison sat down to discuss the \$24 billion student loan debt problem in our state.

Gov. Tony Evers has included the creation of a task force focused on refinancing opportunities for high-interest borrowers in his budget request. Other states have already created refinancing opportunities for their borrowers and with Wisconsin lagging behind, this team is rolling up their sleeves to advocate on this important issue to ensure that it is included in Wisconsin's upcoming budget.

Treasurer Godlewski noted her own personal experience with high-interest student loan debt saying, "When I graduated, I had \$75,000 in student loan debt and was paying interest rates up to 9%. I did everything I could to prevent this debt. My parents saved as much as they could, I worked during college, I went to a public institution, and I graduated within four years."

Godlewski continued, "Student borrowers should be able to refinance their debt like a home mortgage. It's just common sense. While borrowers in Wisconsin were paying up to 15% in interest last year, they had no public option to refinance. Without the undue burden of this high-interest debt, more Wisconsinites could contribute to our state's economy."

"Wisconsin citizens from all parts of our state are shouldering more than \$24 billion in student-loan debt," said DFI Secretary-designee Blumenfeld. "Bringing down their monthly payments will help them manage their finances and save for a car, home, emergency or vacation and it will also be a boost to our state economy."

And Executive Secretary Hutchison stated, "With this small, one-time investment this year to study this issue, we could see a huge return that would benefit our state's economy for decades to come."

As the Joint Finance Committee wraps up its statewide tour to consider the Governor's budget recommendations, this group is working to elevate the issue and ensure that the task force is included and funded in the state's next budget.

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The Student Loan Debt Task Force has been recommended by Governor Tony Evers in his 2019-2021 budget request. His request includes funding to support the work of the task force and requires that the task force produce a report on their recommendations by October 1, 2020. Their focus is on a statewide refinancing entity that can offer interest rate savings to Wisconsin student loan debtors.

The full budget request can be found here- <https://doa.wi.gov/Pages/StateFinances/2019-21-Executive-Budget.aspx>