The 128th Legislature of the State of Maine  
State House  
Augusta, ME

Dear Honorable Members of the 128th Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1507, “An Act to Establish a Student Loan Bill of Rights To Regulate Student Loan Servicers.”

Student loans are issued by educational loan servicers that are authorized to do so by the U.S. Department of Education pursuant to the provisions of the Federal Student Loan Program and other federal laws. States that have attempted to regulate activities of educational loan servicers at the state level are now having to defend themselves against federal preemption charges. I do not intend to sign a bill that will likely be the subject of federal litigation at great expense to the State of Maine.

Not only does LD 1507 invite expensive legal challenges, it fails to address the real issue—the excessively high cost of secondary education. It only adds more bureaucratic regulation in the name of public protection. Maine does not need another licensing requirement that increases paperwork without providing any tangible benefit. LD 1507 is nothing more than an electioneering bill at a time when our students need a pragmatic approach to student loan debt.

My bill, LD 1834, proposes a 50-million-dollar bond issuance that will provide funds to the Finance Authority of Maine to make zero-percent-interest student loans and allow loan consolidation or refinancing with interest-rate reductions for Maine residents who agree to live and work in Maine for at least five years.

The Legislature would be well advised to support the use of the bond process to generate funds that would help students pay for their college educations by providing low cost, no interest loans.

For these reasons, I return LD 1507 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage  
Governor