

Law School Loans Supports Petition to Rewrite Loan Payment Rules

American families, students, parents, educators, and officials in the loan industry are getting behind a petition to change student loan repayment.

Concerned about how rising student debt and interest rates are affecting Americans, these citizens and groups recently petitioned Secretary of Education Margaret Spellings to make regulatory changes to loan repayment rules that would create more flexible and affordable ways to repay student loans.

Based on the results of a recent public opinion survey released by the Project on Student Debt, the petition seeks restructuring of the current loan repayment rules, claiming that the current rules are “inconsistent, confusing, and contradictory” and “do not provide clear and meaningful protections to borrowers who make good faith efforts to meet their obligations.”

The changes being requested would limit required loan payments to a manageable proportion of income and forgive certain debts after 20 years of repayment.

“If students from all backgrounds are going to be able to attend college and grow, both in school and at their jobs, the government needs to work with students and lenders. We all have to respond to our students’ needs and meet them where they live, economically speaking,” said A. Harrison Barnes, CEO of Law School Loans.

“Part of that is making loan repayment practical and affordable for everyone who needs a student loan.”

The partnership of organizations that came together to file the petition is made up of American Student Assistance; the Great Lakes Higher Education Guarantee Corporation; the United States Student Association; the State Public Interest Research Groups; the College Board; College Parents of America; the Council for Opportunity in Education; the Howard Center for Family, Religion, and Society; and the Project on Student Debt.

Public Advocates, a nonprofit civil rights advocacy group led by Jamiene S. Studley, former acting General Counsel at the U.S. Department of Education, is representing the group.

The survey that inspired the petition reported that even though American families view a college education as more important than ever before, they also worry that it is becoming less and less affordable.

“Concerns about the cost of higher education have been with us for some time, but they are taking on a new dimension as more Americans conclude that the debt students and families are taking on for college is unmanageable,” said American Viewpoint Senior Vice President Gary Ferguson. “Most say that today’s college graduates have too much student debt and that the government is doing too little to make higher education more available and affordable for people from all backgrounds.”

The survey also included a pitch for tax credits on student loan interest based on model legislation created by the Project on Student Debt and found that a large number of Americans are in support of such an income-based tax credit. They also showed support for limiting the amount of student loan payments to 10 percent of an individual's income.

The Project on Student Debt is an organization working to increase public understanding of trends concerning the affordability of college education and the implications for American families, the economy, and society as a whole.

The Project on Student Debt is managed by The Institute for College Access and Success, a nonprofit, nonpartisan organization dedicated to expanding educational opportunity. More information on the poll and the full text of the petition can be found at www.projectonstudentdebt.org.

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