Testimony before the

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON COMMERCIAL AND ADMINISTRATIVE LAW

regarding

"The Private Student Loan Bankruptcy Fairness Act of 2010"

April 22, 2010

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Mr. Chairman and Members of the Committee, the National Consumer Law Center (NCLC) thanks you for holding this hearing today. The National Consumer Law Center (NCLC) submits this testimony on behalf of our low-income clients. The National Consumer Law Center is a nonprofit organization specializing in consumer issues on behalf of low-income people. We work with thousands of legal services, government and private attorneys, as well as community groups and organizations that represent low-income and elderly individuals on consumer issues.[1] NCLC's Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens and make loan repayment more manageable.[2]

In my work as the Director of NCLC's Student Loan Borrower Assistance Project, I provide training and technical assistance to attorneys and advocates across the country representing low-income student loan borrowers. I have written numerous reports on student loan issues as well as NCLC's *Student Loan Law* publication. I also provide direct representation to low-income borrowers through Massachusetts-based legal services and work force development organizations. Many of these borrowers seek assistance because they are trying to rebuild their lives after escaping domestic violence or homelessness. The non-profit work force development organizations help them get G.E.Ds if necessary and hopefully move on to higher education. However, many cannot take this next step because of prior student loan debt. I also have daily contact with a wide range of borrowers through our student loan web site. Because of my extensive experience representing student loan borrowers and working on student loan matters, I have served as the legal aid representative at a number of Department of Education negotiated rulemaking meetings, including the most recent session on program integrity. My testimony is based on this work and previous work representing low-income consumers at Bet Tzedek Legal Services in Los Angeles.

[1] In addition, NCLC publishes and annually supplements practice treatises which describe the law currently applicable to all types of consumer transactions, including *Student Loan Law* (3d ed. 2006 and Supp.).
[2] *See* the Project's web site at http://www.studentloanborrowerassistance.org.

Introduction

Even during these difficult economic times, there is one consistent message that Americans hear as they grow up—You are more likely to succeed if you go to college. President Obama affirmed this message when he announced goals to have the highest proportion of students graduating from college in the world by 2020.

Students go to college to improve their lives. Unfortunately, not everyone succeeds, especially not financially. Far too many never graduate. College completion rates in the U.S. have been flat since the 1970's among all sectors of higher education. Some students graduate, but are unable to find work to repay burdensome debt loads.

It is increasingly difficult for students to figure out how to pay for college. Tuition keeps growing while scholarship and grant aid shrinks. A growing number of students must rely on loans to finance their educations. The increased borrowing is not only from federal loans. The borrowing limits in the federal loan programs, the skyrocketing cost of higher education and aggressive lender marketing have fueled the growth of private student loans, which are almost always more expensive than federal loans.

Despite the growing perils of trying to pay for college, Congress has consistently weakened the safety net, including bankruptcy, for those who try, but end up unable to repay their education debts. Our experience working with low-income borrowers is that bankruptcy is almost never their first choice. Most express a desire to avoid bankruptcy because it feels like a failure. They also fear the stigma and the resulting difficulties of finding employment, housing, and utilities. However, for many, bankruptcy is the only way to get a fresh start in life.

Bankruptcy is not and should not be the entire safety net, but it is the most organized and effective system we have to offer relief to those who most need it. It is never an easy decision for a consumer to choose bankruptcy. This choice comes with many costs and consequences, including damaged credit that lasts for years. However, it was a choice that was available to private student loan borrowers before 2005 and is still fully available to nearly all other unsecured debtors. For student loan debtors, however, bankruptcy relief is now available only through the random, unfair, and costly "undue hardship" system. Effectively, it has become no choice at all for those who most need it.

We see and hear the human toll of the eviscerated student loan safety net every day from the low-income borrowers we represent. Some are so traumatized by collection calls and skyrocketing debt loads that they vow never to try education again. These choices not only impact these individuals and their families, but society as well. As evidenced by the Obama Administration's higher education goals, it is in our national interest for more people to get post-secondary education or training. It would be better for society and our economic future if individuals were allowed some flexibility to take chances. If public policies only encouraged safe choices, few would borrow to go to college. Few would start businesses either. Most businesses fail, even those started by those who have previously run successful businesses.[3] Yet we have decided as a society that we want people to start businesses even if this means writing off some bad debt. The same principle should apply to education.

Trouble in the Private Loan Industry

The private student loan industry generated huge profits for lenders and investors for many years. The private loan market was profitable largely because originators sold the loans with the intention of packaging them for investors. Lenders aggressively marketed these products to keep fueling the securitization pools, developing products for the repackaging rather than to provide the most affordable and sustainable products for borrowers.[4]

Over time, however, just as in the subprime mortgage industry, the defects in these expensive, unsustainable products became clear and the loans began to fail. The industry hit a wall, exposing the risks of making unsecured, expensive loans to borrowers with little or no ability to repay.

All of the major private student lenders have written off huge volumes of loans. The worst performing portfolios have been "non-traditional" loans. Lenders describe these as loans to borrowers that are expected to have a high default rate due to numerous factors including having a lower tier credit rating or low program completion and graduation rates usually at "non-traditional schools." Even where the borrower is expected to graduate, non-traditional loans tend to go to borrowers with low expected incomes relative to the cost of attendance.[5]

Sallie Mae and others have attributed much of the poor performance of private student loans to their "non-traditional" loan portfolio. [6] Non-traditional loans at both for-profit and non-profit schools represented about 14% of Sallie Mae's private education loan portfolio, but accounted for 54% of charge-offs in the company's portfolio in 2008. [7] Even Sallie Mae's then-CFO Jack Remondi admitted that this is "… [o]bviously, a business model that does not make sense."[8] More recently, Sallie Mae's CEO referred to the "bad lending bubble" of non-traditional lending from 2004-2007 and noted that this type of lending has been "totally discontinued."[9]

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[3] Megan McArdle, "Sink and Swim" The Atlantic (June 2009).
[4] See generally National Consumer Law Center, "Paying the Price: The High Cost of Private Student Loans and the Dangers for Student Borrowers" (March 2008), available at: http://www.studentloanborrowerassistance.org/uploads/File/Report_PrivateLoans.pdf.

[5] Fitch Ratings, "Private Education Loans: Time for a Re-Education" at 7 (Jan. 28, 2009).
[6] Id.
[7] Alejandro Lazo, "Sallie Mae Forecasts Surge in Defaults", *Washington Post* (Jan. 23, 2009).
[8] SLM Corporation Q4 2007 earnings Call Transcript (Jan. 23, 2008).
[9] Based on October 21, 2009 Sallie Mae earnings call transcript.

These belated admissions can be useful in policy debates because they expose the inexcusable wishful thinking that was masked as business planning over the years. However, these *mea culpas* do not do much for troubled borrowers.

The reality is that many loans were so expensive that they were destined to fail. In a March 2008 report, NCLC reviewed twenty-eight private loans issued between 2001 and 2006, looking for warning signs and potential problems.[10] All of the loans in our survey had variable rates. The lowest initial rate in our sample was around 5% and the highest close to 19%. The average initial disclosed annual percentage rate (APR) for the loans in our survey was 11.5%.

The high fees made these loans even more expensive. There are no limits on origination and other fees for private student loans. According to the loan disclosure statements we reviewed, the lenders charged origination charges in all but about 15% of the loans. For those with origination fees, the range was from a low of 2.8% up to a high of 9.9% of the loan amount. The average in our survey was 4.5%.

As the market has declined, lenders have adapted or left the market. It is the students who are stuck with nowhere to turn.

Holes in the Safety Net

Current bankruptcy law treats students who face financial distress the same severe way as people who are trying to discharge child support debts, alimony, overdue taxes and criminal fines. The current undue hardship system is arbitrary, unfair and denies relief to the most vulnerable student loan borrowers.

This harsh treatment of students in the bankruptcy system was built on the false premise that students were more likely to “abuse” the bankruptcy system. Yet there is no evidence and has never been any evidence to support this assumption.

When first considering this policy, Congress commissioned a Government Accountability Office (GAO) study on the topic which found that only a fraction of 1 percent of all matured student loans had been discharged in bankruptcy. The House report summarized the GAO’s findings:

> First, the general default rate on educational loans is approximately 18%. Of that 18%, approximately 3-4% of the amounts involved are discharged in bankruptcy cases. Thus, approximately ½ to ¾ of 1% of all matured educational loans are discharged in

[10] National Consumer Law Center, “Paying the Price: The High Cost of Private Student Loans and the Dangers for Student Borrowers” (March 2008), available at: http://www.studentloanborrowerassistance.org/uploads/File/Report_PrivateLoans.pdf.

bankruptcy. This compares favorably with the consumer finance industry. [11]

Congress acknowledged the pressure from the anecdotal reports of abuse. For example, a 1977 House Report on this issue stated that:

> The sentiment for an exception to discharge for educational loans does not derive solely from the increase in the number of bankruptcies. Instead, a few serious abuses of the bankruptcy laws by debtors with large amounts of educational loans, few other debts, and well-paying jobs, who have filed bankruptcy shortly after leaving school and before any loans became due, have generated the movement for an exception to discharge. In addition, a high default rate has been confused with a high bankruptcy rate, and has mistakenly led to calls for changes in the bankruptcy laws.[12]

Despite the shaky foundation, Congress ignored the study and instead chose to make it more and more difficult for student loan borrowers to get a fresh start through bankruptcy.

After a series of changes which eliminated borrower rights, the final blow to students came in 2005 when Congress included private student loans in the non-dischargeability category. Congress made this change even though private student loans are not part of the federal financial aid system, which was created to promote equal access to higher education. Nearly all government loans are made to eligible borrowers regardless of their credit histories. Federal student loan terms and fees are strictly regulated. Private loans, in contrast, are almost always more expensive than federal loans. This is especially true for borrowers with lower credit scores or limited credit histories. Private loans also do not have the same range of protections for borrowers that government loans have. Further, borrowers are more likely to borrow unaffordable amounts since, unlike most federal loans, there are no loan limits for private loans.

Even those who insist without evidence that students are more likely to file bankruptcy should be able to agree that the changes made to the bankruptcy laws in 2005 address this issue. Congress added a number of new elements to the personal bankruptcy system in 2005, such as a means test and counseling requirements that make it more difficult for all consumers to file bankruptcy, especially those who have assets to pay their debts. In any case, the Bankruptcy Code has always included safeguards to prevent discharge in cases where debt is obtained through false pretenses or fraud.

"Undue Hardship" and Lack of Relief

The current "undue hardship" system is random, arbitrary and unfair. Under current law, most federal and private student loans can only be discharged if the debtor can show that payment will impose an undue hardship on the debtor and the debtor's dependents. The student

[11] H.R. Rep. 95-595, 1st Sess. 1977, 1978, 1978 U.S.C.C.A.N. 5963, 6094, 1977 WL 9628.
[12] Id.

must seek the hardship determination in court through a separate proceeding. While the current system may deter some student borrowers who can afford to pay their loans, it more often snares those who are truly financially distressed and desperately need relief.

The system is strikingly arbitrary. Judges are granted extraordinary discretion to make these decisions, especially since the Code provides no definition of "undue hardship." Professors Pardo and Lacey have studied this issue and found a high degree of randomness in the application of the undue hardship test.[13] They also found that students seeking bankruptcy relief were in fact suffering financial distress, concluding that judicial discretion has come to undermine the integrity of the undue hardship system.[14]

Many courts use the so-called *Brunner* test to evaluate hardship.[15] This test requires a showing that 1) the debtor cannot maintain, based on current income and expenses, a “minimal” standard of living for the debtor and the debtor’s dependents if forced to repay the student loans; 2) additional circumstances exist indicating that this state of affairs is likely to persist for a significant portion of the repayment period of the student loans; and 3) the debtor has made good faith efforts to repay the loans.

In recent years, many judges have recognized the random and unfair application of this “test.” According to the Tenth Circuit, many courts have “…constrained the three *Brunner* requirements to deny discharge under even the most dire circumstances.”[16] The court further noted that this overly restrictive application fails to further the Bankruptcy Code’s goal of providing a “fresh start” for the honest but unfortunate debtor.[17] In criticizing the test, another judge noted that *Brunner* was “…made up out of whole cloth anyway.”[18] Among other nearly impossible barriers, the test forces borrowers to prove a negative—They must somehow prove that their future is as hopeless as their present.

Other courts have taken the *Brunner* test to the extreme of requiring that a borrower show a “certainty of hopelessness.” In rejecting this analysis, some courts have blamed its widespread use on an erroneous reading of *Brunner*.[19]

Courts have taken the long journey from “undue hardship” to “certainty of hopelessness” because of the lack of guidance in the Code. Without such guidance, judges have freely injected their own views about what types of expenses are legitimate and whether a borrower is truly trying hard enough to earn a maximum income. This leads to results such as a 1994 decision where a debtor who had nerve damage, bronchitis, and arthritis, and whose daughter had

[13] See Rafael I. Pardo & Michelle R. Lacey, “Undue Hardship in the Bankruptcy Courts: An Empirical Assessment of the Discharge of Educational Debt”, 74 U. Cin. L. Rev. 405 (2005); Rafael I. Pardo, Michelle R. Lacey, “The Real Student-Loan Scandal: Undue Hardship Discharge Litigation”, 83 Am. Bankr. L.J. 179 (Winter 2009).

[14] Id.

[15] *Brunner v. New York State Higher Educ. Servs. Corp.*, 831 F. 2d 395 (2d Cir. 1987).

[16] *ECMC v. Polleys*, 356 F. 3d 1302 (10th Cir. 2004).

[17] Id.

[18] *In Re Cummings*, 2007 WL 3445912 (Bankr. N.D. Cal. Nov, 13, 2007).

[19] *In re King*, 368 B.R. 358 (Bankr. D. Vt. 2007)

epilepsy, mother had cancer and grandchildren had asthma, failing the Brunner "good faith prong" because she intentionally (and apparently wrongly in the court's view) chose to help her family financially.[20]

The current system is stacked against the most financially distressed borrowers. These borrowers have few, if any, resources to pay for legal assistance to prove to judges that they suffer from undue hardship. Yet competent legal assistance is one of the key factors in determining whether a borrower will successfully get a discharge.[21]

Lack of Non-Bankruptcy Alternatives

The bankruptcy policy might not be so harsh if borrowers had ample non-bankruptcy alternatives to address student loan problems. There are many options in the federal loan programs, although these should not be viewed as substitutes for bankruptcy discharges in all cases. Private loans, however, are another story.

Given their role in creating the crash, it is reasonable to expect lenders to do everything possible to help borrowers with unaffordable loans. Distressingly, this has not occurred. In NCLC's experience representing borrowers through the Student Loan Borrower Assistance Project, we have found private lenders to be inflexible in granting long-term repayment relief for borrowers. Lenders that had no problem saying "yes" to risky loans are having no problem saying "no" when these borrowers need help.

In NCLC's April 2009 report, "Too Small to Help: The Plight of Financially Distressed Private Student Loan Borrowers", we found that private lenders were offering some very limited, flexible repayment options for financially distressed borrowers.[22] These lenders rarely cancel loans or offer reasonable settlements. Fundamentally, lenders who make private student loans are not obligated to offer repayment modification or relief under any circumstances, leaving borrowers truly at the mercy of their lenders.

More recently, some lenders have begun reviewing their policies and have suggested that they will be more flexible with some borrowers. Our experience, however, is that this increased flexibility is rarely extended to the lowest-income borrowers who can afford to pay very little, yet generally have the highest rate loans. We have found that even when lenders do offer some flexibility, these are usually short-term interest-only payments plans that do not extend loan terms.

In the past, forbearance was the only option private student lenders offered to these most distressed borrowers. However, these policies have changed radically in recent months as most

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[20] *In re Stebbins-Hopf*, 176 B.R. 784 (Bankr. W.D. Tex. 1994),
[21] Rafael I. Pardo, Michelle R. Lacey, "The Real Student-Loan Scandal: Undue Hardship Discharge Litigation", 83 Am. Bankr. L.J. 179 (Winter 2009).
[22] The report is available on-line at: http://www.studentloanborrowerassistance.org/uploads/File/TooSmalltoHelp.pdf.

creditors have sharply restricted forbearance availability. The problem for borrowers is not so much that forbearances are less available, but that there are few or no other options to help them manage their debts over the long-term. Forbearances are not the best long-term debt management tool because interest accrues during the forbearance period, but it is the only tool many borrowers have traditionally been offered to stave off default.

The options are particularly limited for borrowers in default. We hear again and again that once a loan has been written off, there is nothing the lenders can do. Yet these are generally the borrowers most desperate for assistance. This is also in sharp contrast to the federal student loan programs where borrowers in default have various ways to select affordable repayment plans and get out of default.

Too often, even students who graduate are left with no relief. One of our clients, Brittany, is a young woman in her early 20's who graduated with a hospitality management undergraduate degree from a reputable Boston-based private college. While the degree seemed likely to lead to work five years ago, she has found since graduation that it is nearly impossible to find employment in the field. Instead, she is working for now as a waitress making close to minimum wage.

Brittany received just over $20,000 in federal government loans plus Pell grants. She is looking into income-based repayment to keep those loans out of default. Unfortunately, she also has about $65,000 in private loans. Like many borrowers, she was confused about the difference between federal and private loans. As a result, she did not exhaust all of her federal loan eligibility. Unfortunately, this is very typical. The Project on Student Debt has found that almost two-thirds of private loan borrowers in 2007-08 borrowed less than they could have in federal Stafford loans, compared to less than half of private loan borrowers in 2003-04.[23]

Brittany cannot afford to pay her private loans with her current limited salary. The minimum payment is over $600/month. Her mother co-signed one of the loans, but also cannot help because she recently lost her job and is facing potential foreclosure.

The Problem of Fraudulent Schools

Many of the most vulnerable borrowers are proprietary school students who attended schools that left them with huge debts, but little or nothing in the way of education. These students have been hit particularly hard. They are stuck with debts they cannot repay from worthless schools.

For years, lenders fought to get into the largely unregulated world of high-growth proprietary higher education. During this time, a particularly unholy alliance developed between

[23] The Project on Student Debt, "Private Loans: Facts and Trends" (August 2009), available at: http://projectonstudentdebt.org/files/pub/private_loan_facts_trends_09.pdf.

unlicensed and unaccredited schools and mainstream banks and lenders.[24] The creditors did not just provide high-interest private loans to students to attend unscrupulous schools; they actually sought out the schools and partnered with them, helping to lure students into scam operations. They then turned around and, like subprime mortgage providers, made big profits on these loans by securitizing them and shifting the risky debt onto unsuspecting investors.

Our client Joe is one example of many clients we have seen facing these burdens. Joe is a 25 year old student at Salem State College in Massachusetts. Without a glaring problem from his past, he would be much like many other students at the state college. He works part-time to help meet expenses, is articulate, ambitious and personable. He took out federal loans to help defray expenses at the public college. Unfortunately, about five years ago, he saw an advertisement for a for-profit culinary school. He visited the school and was told about the amazing curriculum and strong job placement program. The price tag of about $35,000, they said, would be easily repaid through lucrative earnings after graduation. Joe was young and impressionable and eager to work in the culinary field, so he signed up. He found out almost immediately that the school's statements were empty promises. The teachers were inexperienced and the materials and equipment inferior. He asked about leaving and was told that he could not get a refund. He stayed and finished and was never given job placement assistance, despite his requests. He has since moved on and tried to put the experience behind him, but the loans will not go away. He thinks he will be able to manage the federal loans, but his two private loans with current interest rates of about 15% are unaffordable. He says he wants to pay something and has asked for a break, but the creditor offers only forbearances and in-school deferments. Joe is angry and frustrated and has nowhere to turn.

You will likely hear similar sentiments from the approximately 2,500 former students of Silver State Helicopters, a Nevada-based for-profit flight school that went into bankruptcy. Most of these students received private loans to cover costs and are stuck with incomplete educations from a school that abruptly closed, while also facing demands from lenders insisting on repayment.

Most bankruptcy courts are unmoved by borrowers who went to fraudulent schools. Judges have struggled to fit the concept of "educational benefit" into the undue hardship analysis even in cases where the school closed while the borrower was in attendance or was otherwise a sham school.[25] Many courts assume that these borrowers can get relief instead through the

[24] An example is ongoing litigation against Silver State Helicopters. See "Pinnacle Law Group Files Class Action on Behalf of Students Against Keybank for Predatory Lending Practices in Connection with Failed Vocational School, Silver State Helicopters" (May 12, 2008), available at: http://www.pinnaclelawgroup.com/pdf/SSH-KeyBank_PressRelease.PDF.

[25] *See, e.g., In re Gregory* 387 B.R. 182 (N.D. Ohio 2008) (Relief on the basis of fraud can be had only against those who are shown to be parties to the fraud).

Department of Education administrative discharges. This may be true in some cases, but there are many limits to these discharges which most bankruptcy judges are not aware of. First, these discharges apply only to federal student loans. In addition, many borrowers fall through the cracks of the limited closed school, false certification, and unpaid refund eligibility provisions. Not one of these discharge programs provides general remedies for borrowers who attended a fraudulent school. For example, a school may routinely pay admissions officers by commission in violation of incentive compensation rules, fail to provide educational materials or qualified teachers, and admit unqualified students on a regular basis. None of these violations is a ground for cancellation. Instead, each cancellation offers relief for a narrow set of circumstances.

Bankruptcy Policy and the Effect on the Student Loan Business

Many creditors argue that treating student loans the same as other debts in bankruptcy would create greater risk for them. This is far from obvious. If most borrowers who file for bankruptcy cannot afford to repay their debts, a more restrictive bankruptcy policy is not going to make them more able to pay.

It is certainly true that private student loans, made without government guarantees, can be risky for both creditors and borrowers. Many students are young, with little or no credit history. Their earning power is mostly speculative. Yet responsible underwriting of student loans is not impossible. Recent trends in the industry show that creditors know how to sell less risky products. For example, industry-wide, 80-90% of private student loans originated in 2009 required a cosigner, up from 50-60% in 2007.[26]

The fact is that the private student loan industry grew rapidly during the pre-2005 period when these loans were fully dischargeable in bankruptcy. This should not be so surprising. During the past decades of irresponsible lending, creditors threw credit around like candy in markets where the credit was dischargeable in bankruptcy (such as credit cards) and those where it was harder to write off debts in bankruptcy.

The industry has contracted in recent years even with a restrictive bankruptcy policy. For example, Sallie Mae's private loan originations were down 55% in the fourth quarter of 2009 compared to the same period the previous year.[27] The company cited tightening of underwriting criteria as a major reason for the decrease in loan volume. The more restrictive credit market has helped eliminate loans that never should have been made. This has forced schools and lenders to think twice before pushing these high priced products, a welcome market correction.

There is simply no good evidence that bankruptcy policy has much impact on creditor behavior. Interest rates, for example, were largely the same before and after the 2005 bankruptcy law which made private student loans more difficult to discharge in bankruptcy.

[26] Based on 2009 estimates by Student Lending Analytics, a research and advisory firm based in Palo Alto, California.
[27] Student Lending Analytics Blog, "In Search of Answers in Sallie Mae's 4Q Supplement: Private Loan Originations Down 55%, Delinquencies Remain High" (January 20, 2010).

The business of private lending has expanded and contracted based on market opportunities, not based on bankruptcy policy. Some lenders continue to make high rate, risky loans even during the current economic climate. While some of the larger lenders have at least temporarily tightened criteria, other, less selective lenders have stepped into the market. In some cases, for-profit schools are making private loans knowing that the majority of their students will not be able to repay. Corinthian Colleges, for example, has told investors that it expects its students will not be able to repay 56-58% of its institutional private loans. Yet they keep making these loans, even with a restrictive bankruptcy policy, presumably because it lures students to their schools and gives them access to federal student aid dollars.

The road to higher access to education will never be paved with high rate private loans. Our nation's record in helping low-income and other less advantaged students enter and complete college has been woefully inadequate when the private loan industry was booming and now that it is, at least temporarily, in decline. Yet students continue to try to improve their lives through education. Despite the decreased availability of private student loans, college enrollment has continued to grow. In fall 2008, total college enrollment, including all undergraduate and graduate students, surged by 3.7%, the largest percentage increase since 2002, even though private student loan volume dropped by an estimated 30% or more for the 2007-08 school year.[28]

Conclusion

Restricting the bankruptcy safety net helps give private lenders some additional peace of mind and potentially more profits. These goals reflect industry interests, not the key policy goals of improving access to education and making college more affordable.

Bankruptcy policy should be about the pragmatic need to offer fresh starts to many debtors. Bankruptcy is the legal recognition that someone lacks the resources to meet financial obligations. There are many rules in place to ensure that only borrowers who are financially distressed get relief. It is way past time to give financially distressed student borrowers equal access to relief.

[28] Enrollment figures based on data available through the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) and private loan volume estimates based on data available through the College Board and by Student Lending Analytics, compiled by the Project on Student Debt.