



*The Student Loan Borrower Assistance Project (SLBA) is a program of the [National Consumer Law Center \(NCLC\)](#).*

## **POLICY BRIEF**

### **Equity for Government Student Loan Borrowers: Restore a Fair and Reasonable Statute of Limitations**

#### **Rationale**

The elimination of the statute of limitations for government student loans in 1991 placed borrowers in unenviable, rarified company with murderers, traitors, and only a few violators of civil laws. Statutes of limitations are the norm in civil and criminal cases. The Supreme Court has repeatedly emphasized their importance, stating, for example that “Statutes of limitations are vital to the welfare of society and are favored in the law. They are found and approved in all systems of enlightened jurisprudence.” (*Wood v. Carpenter*, 101 U.S. 135, 139 (1879)).

Despite the governmental and social interest in pursuing criminals, statutes of limitation apply to nearly all federal criminal actions. The rare exceptions exist for those crimes that are punishable by death, including espionage and treason. Other exceptions apply to the prosecution of persons charged with absence without leave or missing in time of war and for individuals fleeing from justice.

Statutes of limitations are essential first because there are very serious problems associated with adjudicating old claims. For example, loan holders must keep records of government student loans for a borrower’s entire life. Borrowers’ memories and records of payments made and other defenses to loan payment disappear over time. This leads to a second, key justification for time limits—brining some peace of mind to borrowers and finality to the judicial system.

The limitless pursuit of vulnerable student loan borrowers has serious human and financial costs. Disabled and older consumers still face collection for loans they may have taken out thirty or forty years ago. Even if they have no other assets or property, the government may still take portions of their Social Security payments. The cost of collecting from those who simply do not have much is often greater than the meager amounts, if any, which ultimately come back to the government.

For more details, see the National Consumer Law Center Report, “No Way Out: Student Loans, Financial Distress and the Need for Policy Reform”, available at: <http://www.studentloanborrowerassistance.org/uploads/File/nowayout.pdf>.

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