

**HIGHER EDUCATION FINANCING PRIORITIES 2012**  
The National Consumer Law Center's Student Loan Borrower Assistance Project

1. Target assistance to those who are unlikely to meet their educational goals without financial help.
2. Improve information about student financial options and simplify the application process.
3. Eliminate predatory student lending.
4. Ensure access to flexible, income-based repayment and other debt management tools for federal and private loans.
5. Set a maximum time limit for repayment for all borrowers and eliminate any adverse tax consequences for those who have balances written off.
6. Eliminate perverse collection incentives and limit collection agency involvement.
7. Create counseling assistance services for financially distressed borrowers that are not tied to lenders or guaranty agencies.
8. Ensure relief for borrowers when their rights are denied.
9. Restore a viable safety net.
10. Rein in proprietary school abuses.

There is no way out of student loan debt for student borrowers in financial distress. This hurts borrowers, investors, and taxpayers. We advocate a restructuring of the system for borrowers in financial distress through policies such as:

1. **Promoting income-based repayment at all levels, including:**
  - **Prior to Default.** Loan holders should be required to offer income-based repayment at late stage delinquency, and
  - **For Borrowers Seeking to Get Out of Default.**
2. **Restoring a safety net for the most vulnerable borrowers, including:**
  - **Bankruptcy rights,**
  - **A statute of limitations for federal student loans,**
  - **Limits on Social Security and tax offsets, and**
  - **Enforcement of fair debt collection rights.**
3. **Creating a neutral borrower assistance network.**

Without these reforms, higher education will too often be a burden that lower and middle income individuals will avoid. The promise of equal access to higher education will become even more distant. We can do better.

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.

## **Background Materials**

### **Recent NCLC Reports on Student Loans:**

No Way Out: Student Loans, Financial Distress, and the Need for Policy Reform, June 2006, available at: <http://www.studentloanborrowerassistance.org/uploads/File/nowayout.pdf>.

Finding A Way Out: Improving the Assistance Network for Financially Distressed Student Loan Borrowers, December 2007, available at: <http://www.studentloanborrowerassistance.org/uploads/File/REPORTDec07.pdf>

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](http://www.studentloanborrowerassistance.org/uploads/File/Report_PrivateLoans.pdf).

Income-Based Repayment: Making it Work for Student Loan Borrowers (July 2008), available at: [http://www.studentloanborrowerassistance.org/uploads/File/policy\\_briefs/IBRJULY2008.pdf](http://www.studentloanborrowerassistance.org/uploads/File/policy_briefs/IBRJULY2008.pdf)

Too Small to Help: The Plight of Financially Distressed Private Student Loan Borrowers (April 2009) available at <http://www.studentloanborrowerassistance.org/uploads/File/TooSmalltoHelp.pdf>

Piling it On: [The Growth of Proprietary School Loans and the Consequences for Students](#) (January 2011)



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

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