



Bill would ease debt burden on students

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While we both firmly believe that a college education remains the right choice for most students, we recognize that our national system for financing college education is in disrepair. We need a new approach that prioritizes college access and reduces the extreme financial burden that often comes with a degree.

In Washington, we talk a lot about not passing debt onto the backs of our children and grandchildren – well there is no more immediate or direct debt on the backs of future generations than the amounts taken from their paychecks to pay back increasingly expensive student loan debts. This debt is hampering their ability to contribute to the economic growth of the American economy.

Over a lifetime, the excessive burden of student loan debt hurts the ability of some 37 million Americans to purchase homes, start businesses, make investments and develop the next generation of innovations that will drive our nation's economy. Student loan debt has outpaced credit card debt and is second only to mortgage debt for many Americans.

To get a sense of this urgent need, consider the scope of the problem.

Pushed by relentless state budget cuts, average tuition at public universities increased by 8.3 percent in 2010 alone. With their parents battling a tough economy, students have had to take out more and more debt to

handle these rising costs. The average borrower graduating from a public or private institution owed an unprecedented \$25,250 according to recent figures.

But the problem is not just growing cost: It's also limited opportunity to afford repayment.

A recent study by Rutgers University found only 53 percent of a random sample of recent four-year graduates of U.S. universities holding full-time jobs. Fewer still were making use of their college-level skills.

It should come as no surprise that students are facing default at increasing rates. As former Congressman Hansen Clarke wrote last year, "students are finding that their degrees, like homes at the height of the real estate bubble, were vastly mispriced assets that are now hard to finance." Without bankruptcy protections on student loans, unemployed or underemployed borrowers face compounding fees and little hope of escape.

We have proposed the Student Loan Fairness Act to give these Americans — young and old — a chance to break free from this crushing debt.

The bill provides loan forgiveness for borrowers who have paid the equivalent of 10 percent of their discretionary income for 10 years. Borrowers who are behind on their payments due to a setback like unemployment or illness would be eligible to enroll. In short, no one would be financially ruined by student debt due to a stroke of bad luck.

This bill is about fairness. But it's just as much about jobs.

Student debt has forced tens of millions of Americans to put off major purchases and placed a tremendous drag on an economy that's already suffering low levels of consumer demand. Giving student borrowers greater purchasing power would help to turbo-charge our employment recovery.

Our nation's economic success depends on a well-educated workforce and, in turn, on young people realizing the dream of attending college. To maximize our economic potential and make the dream of attending college a reality we must end the nightmare of excessive student loan debt.

Wilson represents the 24th Congressional District of Florida and sits on the House Education and Workforce Committee. Bass represents the 37th District of California and served as the 67th Speaker of the California General Assembly.

