

AMERICAN COUNCIL ON EDUCATION



OFFICE OF THE PRESIDENT

February 24, 2010

The Vice President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. Vice President:

On behalf of the higher education associations listed below, I write to express our strong support for the Obama administration's proposal to expand the Income-Based Repayment (IBR) program. We are pleased that the president's fiscal year 2011 budget request includes an expansion of IBR, which we know has been a priority for you and the Middle Class Task Force.

IBR helps to increase higher education access and affordability for students by lowering the burden of student loan debt. Under this program, student loan payments are based on a percentage of student borrowers' disposable incomes, thereby ensuring that their educational debt remains financially manageable. Currently, IBR payments are 15 percent of the borrower's net income after adjustment for basic living costs and any debt remaining after 25 years is cancelled. Under your budget proposal, borrower payments would be capped at 10 percent of net income and would be forgiven after only 20 years.

We have long supported the IBR program, which was created in part to help low- and middle-income borrowers who take lower-paying but critically important public service jobs after they graduate. We are pleased by your proposal to further expand this program and believe it is particularly timely given the difficult conditions facing many recent graduates in the job market. We also wish to take this opportunity to express our continuing support for changes to tax law to ensure that federal student loan debt forgiven through the IBR and related Income Contingent Repayment (ICR) program is not taxed as income. We hope that this additional feature can be incorporated into the proposal as it moves forward.

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February 24, 2010

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During the current recession, more Americans than ever are turning to higher education to provide the skills they need to succeed in an increasingly competitive global economy. We thank you for your support of these students through the proposed expansion of the IBR program.

Sincerely,



Molly Corbett Broad
President

MCB/ldw

On behalf of:

ACPA - College Student Educators International

ACT

American Association of Colleges for Teacher Education

American Association of Colleges of Nursing

American Association of Collegiate Registrars and Admissions Officers

American Association of Community Colleges

American Association of State Colleges and Universities

American Association of University Professors

American Council on Education

American Dental Education Association

American Indian Higher Education Consortium

APPA: Leadership in Educational Facilities

Association of American Colleges & Universities

Association of American Law Schools

Association of American Universities

Association of Community College Trustees

Association of Governing Boards of Universities and Colleges

Association of Jesuit Colleges and Universities

Association of Public and Land-grant Universities

Association of Research Libraries

Council for Christian Colleges & Universities

Council for Opportunity in Education

Council of Graduate Schools

Council of Independent Colleges

Hispanic Association of Colleges and Universities

NASPA - Student Affairs Administrators in Higher Education

National Association for College Admission Counseling

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National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators
University Continuing Education Association

February 22, 2010

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www.ticas.org

Vice President Joe Biden
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20501

Dear Mr. Vice President:

On behalf of The Institute for College Access & Success, I want to thank you and President Obama for proposing to significantly expand access to affordable student loan payments by improving the Income-Based Repayment program (IBR). It is welcome and important news for millions of federal student loan borrowers in these tough times. In 2008, two-thirds of students who graduated from four-year colleges carried an average of more than \$23,000 in student loan debt.

Based on a model developed by the Institute's Project on Student Debt, IBR was created by Congress in 2007 and supported by a broad coalition of student, parent, loan industry, and higher education groups to make college more affordable and accessible.

The Administration's proposal would cap federal student loan payments at 10 percent of discretionary income and forgive any remaining debt after 20 years. Currently, IBR caps payments at 15 percent of discretionary income with forgiveness after 25 years. As is already the case, those who work in public service could qualify for loan forgiveness after just 10 years of IBR payments, but under the Administration's proposal those payments would be more even more affordable.

With the proposed improvements, IBR will provide even more relief to struggling borrowers, often reducing monthly loan payments by hundreds of dollars. As the earliest proponent of IBR, we strongly support this well-timed proposal. It would make IBR even more effective for responsible borrowers, helping them stay afloat financially and stay out of default.

Sincerely,



Lauren Asher
President

February 24, 2010

The Honorable Joseph R. Biden, Jr.
Vice President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20501



Dear Mr. Vice President:

On behalf of the nearly 100,000 bipartisan members of the American Association of University Women (AAUW), I write to commend the White House Middle Class Task Force for proposing constructive changes to the Income-Based Repayment (IBR) program. These critical improvements, strongly supported by AAUW, will increase access to higher education and allow graduates to better manage their student debt. AAUW further believes that the proposed changes may act as a cost-effective “economic stimulus” package for the millions of borrowers with student loans, allowing them to keep more of their hard-earned income and invest in their futures.

Originally included as part of the 2007 passage of the College Cost Reduction and Access Act, the IBR program currently caps student loan repayments at no more than 15 percent of discretionary income, while any outstanding loan balances are forgiven after 25 years.¹ In addition, for those who enter public service professions such as teaching, complete loan forgiveness is achieved after 10 years of eligible employment and payments. To strengthen the program, President Obama’s FY 2011 budget proposes \$7.5 billion over the next 10 years to allow borrowers to repay federal student loans at a rate of no more than 10 percent of their discretionary income, and allow all outstanding loans to be forgiven after 20 years.

AAUW strongly endorses these timely proposals. In 2008, average debt levels for graduating seniors rose to \$23,200, a 24 percent increase since 2004 alone.² This is especially problematic for female students. According to AAUW’s report, *Behind the Pay Gap*, college-educated women begin earning less than men their first year out of college – even when they have the same major and occupation as their male counterparts.³

In addition to the proposed IBR program changes, AAUW-supported legislation currently pending before the Senate – the Student Aid and Fiscal Responsibility Act (H.R.3221) – would take a number of additional steps to decrease the burden of student loans and make higher education more affordable. Together, these proposals would take significant steps towards increasing access to higher education, investing in our workforce, and strengthening both the economy and American competitiveness in a global marketplace. AAUW looks forward to working with you on these and other critical matters on behalf of women and their families. Please don’t hesitate to contact me or Lisa Maatz, AAUW Director of Public Policy and Government Relations, at 202-785-7720.

Sincerely,

A handwritten signature in cursive script that reads "Linda D. Hallman".

Linda D. Hallman, CAE
AAUW Executive Director

¹ Project on Student Debt (2010). Income-Based Repayment. Retrieved February 23, 2010, from http://www.ibrinfo.org/what_vp.html.

² Project on Student Debt and the National Center for Education Statistics (January 2010). *Quick Facts About Student Debt*. Retrieved August 18, 2009, from http://projectonstudentdebt.org/files/File/Debt_Facts_and_Sources.pdf.

³ AAUW. *Behind the Pay Gap*, 11. April 23, 2007.



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February 22, 2010

Vice President Joseph Biden
White House Office
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Vice President Biden,

On behalf of the 4.5 million students represented by the United States Student Association (USSA), I would like to express our support for the expansion of the Income Based Repayment (IBR) program proposed by the Middle Class Taskforce. USSA played a key role in passing the College Cost Reduction and Access Act, which established the IBR program, and we applaud your efforts to help college graduates ease their mounting student loan debt.

The Task Force's proposal would lower the cap on federal student loan repayments from 15 percent of a borrower's discretionary income to 10 percent. Additionally, it shortens the time it takes to forgive student loan debt from 25 years to 20 years. If passed, this initiative would help hundreds of thousands of recent graduates repay their loans in a more flexible and affordable manner.

College graduates are entering the worst job markets on record for young people already an average of over \$23,000 in debt and need financial relief more than ever. The recommended changes to the IBR program are a great step in making college more affordable and will supplement the student aid reform legislation currently being drafted in the Senate. USSA, and students nationwide, will continue to advocate for this and other investments in higher education programs and we look forward to working with your office in the future.

Sincerely,

Gregory Cendana
President
United States Student Association

The Honorable Joe Biden
Vice President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20501

February 23rd, 2010

Dear Vice President Biden:

In a time when recent college students are increasingly relying on loans to pay for college, and increasingly struggling to repay their debt upon graduation, we applaud and support the efforts of the Task Force on the Middle Class and the Obama-Biden Administration to help make college more affordable.

A college degree is practically a necessity; we rely on the college educated to strengthen the social and economic fabric of our country. However, due to declining state support students are forced to borrow more and more for their college education. Just over a decade ago one third of college graduates had debt with an average of \$12,000, but now around two thirds of college graduates have debt that averages over \$23,000. Graduates with unmanageable levels of debt delay buying homes, getting married and even starting families. Unmanageable levels of debt also squeeze graduates out of low paying socially valuable careers like teaching and social work. Facing a shrinking job market, borrowers are going into default at alarming rates.

The Task Force on the Middle Class has proposed making college debt more manageable by improving the Income Based Repayment program for federal student loan borrowers. Changes would allow borrowers with high debt and low income, such as those in public service professions, to reduce their monthly loan payments to 10% of their income, down from 15%. In addition, borrowers enrolled in the program can see their loans forgiven after 20 years, down from 25 years.

In a recovering economy, it is important that there is support for graduates entering the workforce. These changes will enable over 1 million student loan borrowers to get immediate payment relief. The work and recommendations of the Task Force on the Middle Class will greatly reduce the debt burden of graduates.

Sincerely,

Rich Williams
Higher Education Associate
USPIRG
rwilliams@pirg.org
202-461-3841



Campus Progress
The Center for American Progress
1333 H St. NW, 10th Floor
Washington, DC 20005

February 23, 2010

Vice President Joe Biden
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20501

Dear Vice President Biden,

Your Middle Class Task Force recently put forward a proposal that would make student loan repayment more manageable for people struggling with student debt. If adopted, a borrower's monthly payments for federal student loans would be limited to 10% of their discretionary income, and any debt remaining after twenty years would be forgiven. If they choose to enter public service, their debt would be forgiven after ten years.

The average student debt for a college graduate in the US is now more than \$23,000. For many people—especially those entering careers in public service or having trouble finding full-time work—student debt has become an unmanageable burden. Higher education should represent a way that people can pursue their dreams and give back to society, but student loans often represent a major obstacle for graduates. Studies have even found that many borrowers put off major life decisions, like going to graduate or professional school or buying a home, because of their student debt burden.

This plan represents a major improvement over the income based repayment program created by the College Cost Reduction and Access Act of 2007, and could not come at a better time for people struggling in this difficult economy.

Sincerely,

David Halperin
Director, Campus Progress
Senior Vice President, Center for American
Progress



Dr. Michael L. Lomax
President and CEO

Jack L. Stahl
Chair, Board of Directors

Frederick D. Patterson
Founder

COLLEGE & UNIVERSITIES

Allen University
Columbia, SC

Benedict College
Columbia, SC

Bennett College
Greensboro, NC

Bethune-Cookman University
Daytona Beach, FL

Clafin University
Orangeburg, SC

Clark Atlanta University
Atlanta, GA

Dillard University
New Orleans, LA

Edward Waters College
Jacksonville, FL

Fisk University
Nashville, TN

Florida Memorial University
Miami, FL

Huston-Tillotson University
Austin, TX

Interdenominational Theological Center
Atlanta, GA

Jarvis Christian College
Hawkins, TX

Johnson C. Smith University
Charlotte, NC

Lane College
Jackson, TN

LeMoyné-Owen College
Memphis, TN

Livingstone College
Salisbury, NC

Miles College
Birmingham, AL

Morehouse College
Atlanta, GA

Morris College
Sumter, SC

Oakwood University
Huntsville, AL

Paine College
Augusta, GA

Paul Quinn College
Dallas, TX

Phlaxander Smith College
Little Rock, AR

Rust College
Holly Springs, MS

Saint Augustine's College
Raleigh, NC

Saint Paul's College
Lawrenceville, VA

Shaw University
Raleigh, NC

Spelman College
Atlanta, GA

Stillman College
Tuscaloosa, AL

Talladega College
Talladega, AL

Texas College
Tyler, TX

Tougaloo College
Tougaloo, MS

Tuskegee University
Tuskegee, AL

Virginia Union University
Richmond, VA

Voorhees College
Denmark, SC

Wilberforce University
Wilberforce, OH

Wiley College
Marshall, TX

Xavier University
New Orleans, LA

February 24, 2010

The Vice President
Executive Office Building
Washington, DC 20501

Dear Mr. Vice President:


As the nation's largest private provider of college scholarships, UNCF (the United Negro College Fund) welcomes the proposal by President Obama and Vice President Biden to expand the income-based repayment system and to reduce the short- and long-term burden of debt incurred to finance college education.

The sharp increase in college tuition levels, taken in conjunction with flat and, in some cases declining, income of families with children, has added to the heavy debt burden that students from low- and moderate income families must accumulate in order to get a college degree. It is important to remember that although students pursue a college degree in order, in part, to enhance their future earning potential, the nation needs more college graduates to maintain the competitiveness of our companies in the global economy. Burdening students with debt is a strong disincentive to encouraging them to attend and graduate from college. The risk, in our volatile and evolving economy, that career fluctuations could leave them unable to repay those debts simply adds both to the burden and the disincentive.

The Obama-Biden administration's advocacy of income-based repayment comes as a welcome response to this situation. Their proposal to lessen the burden even further for students who enter low-paid public service careers is especially welcome to UNCF, whose member schools have always emphasized the importance of service as part of education, both during and after college years.

Coming in the context of the administration's commitment to making higher education more affordable, UNCF hails these proposals. They are an important step in the direction of fulfilling the president's pledge to restore American leadership in the percentage of citizens with college degrees, and an important step, as well, in helping the nation live up to the ideal of UNCF's motto, "A mind is a terrible thing to waste."[®]

Sincerely,



Michael L. Lomax, Ph.D.
President and CEO

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