

Statement Regarding Support of Bills to Relieve Student Loan Debt

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Boston – Today marks the introduction of the second of two bills designed to help Americans burdened with student loan debt. Today, U.S. Senator Warren and Representative Clyburn introduced the Student Loan Debt Relief Act. Last month, the Student Debt Cancellation Act was introduced by US. Senator Sanders (S.1947) and U.S. Representative Omar (H.R.3448).

The following is a statement by **Persis Yu, National Consumer Law Center attorney and director of NCLC's Student Loan Borrower Assistance Project** regarding NCLC's support of both bills on behalf of its low income clients.

"The student debt crisis has moved from "impending" to "happening." Vulnerable borrowers – including low-income students, students of color, women, and veterans — owe a disproportionate amount of the \$1.5 trillion in outstanding federal student loan debt. They are more likely to struggle and ultimately default on this debt. The student debt crisis is made worse by and contributes to the racial wealth gap in this country.

"Vulnerable borrowers preyed upon or disserved at nearly every juncture in the student loan cycle. They are more likely to be targeted by predatory schools saddling them with unsustainable amounts of debt, and are then too often subject to incompetent or abusive servicing practices which impede their access to relief through discharges or income-driven repayment. This combination of factors leads to higher rates of default, and the harsh debt collection practices and exposure to unscrupulous debt relief companies that come along with it.

"The student loan system has failed our clients. Our clients are in desperate need of relief. That is why, on behalf of our low-income clients, the National Consumer Law Center supports Senator Warren and Representative Clyburn's Student Loan Debt Relief Act and Senator Sanders and Representative Omar's Student Debt Cancellation Act, each of which would provide our clients life-changing and much-needed relief."