



Resolving the Student Debt Crisis with Responsible Solutions

The unsustainable level of student debt and increasing cost of financing higher education is exacerbating inequality in education access and opportunity, and inhibiting entrepreneurship. We need long-term, sustainable solutions to this escalating problem that center around fairness, opportunity, and accountability. If enacted, these solutions would create a more fair, rational, and accountable system while simultaneously stimulating the economy.

The Problem



- The current student loan system consists of a confusing array of financing and repayment programs that can have dire consequences for borrowers and society.
- Borrowers from low- and middle-income communities, burdened by crushing student loan debt, are deterred from pursuing public service careers, starting businesses, buying homes, and starting families.
- Americans from disadvantaged communities increasingly forgo higher education altogether because they do not see an economically sustainable path.

The Solution



To address this escalating problem, Congress should take a comprehensive approach rather than focusing on temporary and overbroad solutions like universal forgiveness of student debt. Components of the solution should include:

- Leveraging current near zero interest rates to provide all borrowers with a one-time opportunity to refinance both public and private student loan debt at lower, more sustainable rates.
- Creating one multi-tiered, income-based repayment program to streamline and simplify options for borrowers.
- Strengthening the Public Service Loan Forgiveness Program.
- Encouraging employer assistance with student loan repayment.
- Improving borrower education and increasing accountability for borrowers and schools alike.

The Impact



These policy solutions would result in a significant economic stimulus by enabling all graduates to repay student debt at a rate determined by their income, and empowering students at all income levels to pursue higher education.

We can create a more fair, rational, and accountable system of financing and repayment going forward that will better serve students, graduates, institutions, and our country by:

- Promoting public service and entrepreneurship at a time when American communities need both more than ever.
- Fighting inequality by giving low- and moderate-income students fair access to education.
- Helping reputable schools now facing unprecedented challenges by encouraging and enabling students to pursue higher education.