



THE
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ASSOCIATION



Resolving the Student Debt Crisis with Responsible Solutions

THE PROBLEM: The unsustainable level of student debt and increasing costs of financing higher education are exacerbating inequality in education access and inhibiting entrepreneurship.

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

THE SOLUTION: We need long-term, sustainable solutions to this escalating problem that center around fairness, opportunity, and accountability for schools and borrowers alike.

- Congress should take a balanced approach that includes:
 - Creating one multi-tiered income-based repayment program to simplify options for borrowers so that everyone pays something in line with their ability to pay.
 - Increasing accountability for schools and borrowers by placing realistic limits on the amount that can be borrowed and expanding responsibility for schools with high default rates.
 - Providing all borrowers with a one-time opportunity to refinance both public and private student loan debt at lower, more sustainable rates, and for those who are unable, bankruptcy is also an option.
 - Strengthening the Public Service Loan Forgiveness Program.
 - Encouraging employer assistance with student loan repayment.
 - Improving borrower education.

THE IMPACT: We can create a more fair, rational, and accountable system of financing and repayment going forward to better serve students, graduates, institutions, and our country.

- These policy solutions would enable all graduates to repay student debt at a rate determined by their income, and empower students at all income levels to pursue higher education.
- Additional benefits of this approach include:
 - Promoting public service and entrepreneurship at a time when American communities need both more than ever;
 - Fighting inequality by giving students who are from poor or modest families fair access to education; and
 - Helping reputable schools now facing unprecedented challenges by encouraging and enabling more students to pursue higher education.

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