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Macias, Wendy

From: [REDACTED]
Sent: Thursday, June 18, 2009 12:57 PM
To: negreg09
Subject: comments regarding student loans

Hello, I am submitting my comments regarding my struggles with unfair student loan practices.

I graduated undergrad from USC, an expensive private school I would pay with a mix of scholarships, public student loans, and private student loans. Being the first generation in my extended family to go to college, I did not understand the process very well. My Senior year, my financial aid was pulled by the university for "financial reasons." Left with the choice of dropping out, USC sent me to Sallie Mae (a private student loan lender that USC claims they get no kickbacks from, but is clearly in a conflict of interest, since tuition rises every year). I agreed to private student loans through Sallie Mae. All my loans totaled \$160,000 upon graduation under horrible terms (including variable interest rates that kept going up) and I could not afford to make the payments. I consistently worked full time, but still could not make my payments and none of my student loan companies would work with me, public or private. I ended up selling and losing everything I had. Having no family in Los Angeles, I ended up living on the street for two months. I am an upstanding citizen and a hard worker. I don't do drugs or break the law. And yet my life has been destroyed by student loan companies that took advantage of me and I had no protections.

I filed for bankruptcy. Of course I couldn't afford a lawyer, so I had to manage the whole process on my own. I filed for an adversary proceeding against the student loan companies, to try and get some relief from the unfair terms. It was an extremely unfair process, where a single broke debtor was going against an army of lawyers from powerful student loan companies. Sallie Mae behaved the worst, trying to intimidate me into dropping the case. After a year of negotiations, we did settle on some relief, but my credit is ruined for the next ten years. But the relief I did receive is just a small fraction of my debt, and I feel sorry for all the debtors who have not gotten any relief.

This is a truly broken system. There is a whole generation of young people burdened by out of control student loans. There is no protections against them and no way to fight them. My whole situation could have been avoided if I had proper counseling initially, if the student loan companies had proper oversight, and the private university was not allowed to pull my financial aid.

Thank you for listening to my story and I hope that the system can be improved to provide healthy lending to students.

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