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Macias, Wendy

From: [REDACTED]
ent: Tuesday, June 23, 2009 4:13 PM
To: negreg09
Subject: My student loan story

September 4, 2008

U.S. Department of Education
P.O. Box 4169
Greenville, TX 75403-4169

Dear U.S. Department of Education,

In 1993 I took out student loans to pursue my Bachelors for \$35,000. Due to life circumstances (my husband had a breakdown and also has a movement disorder) I did not finish my degree and was not in a position to repay the loans per the payment plan in 1997. Although, at the time, I tried to work out an adjusted repayment plan, I wasn't able to do so (I was told it wasn't an option by the federal government who wanted to garnish my wages at 20% as an option) and I defaulted on the loan. I am now rehabilitating the loan and have been doing so since December of 2007. If I had been allowed ten years ago some reasonable options for paying off the loan this would never have happened (at the time I was making \$5.15 an hour).

I am writing to let you know why I have not been able to pay off very much of my debt. In 1996 my husband had a mental breakdown and I had to drop out of school. The past 12 years have been a struggle to stay alive and keep food on the table. I have been laid-off from 3 different jobs in the past 10 years. We had a baby in 2005. I am the caretaker for all of us. My husband has not worked in 11 years. Because of his illness I had to cut my education short.

This is what I wrote to you in October of 2007. What I got in return was dealing with Diversified Collection Services. When I spoke to the woman on the phone [REDACTED] she told me this could go easy on me or hard on me. I was told if I paid \$25,000 right then, that is all that I would owe. I was asked to take out a bank loan or borrow from my family. I explained to her that I had no money. That in fact I was very in debt and that I had just gotten a good job after many years of struggling, that I lived in a one bedroom apartment with my husband and son after living in a studio apartment for several years. (My apartment went up by \$200 in May of this year.) I explained to her that for most of my career I have been working for non-profits and thus not making much money. Also that when I had my baby I had to go 8 weeks with no pay and had to move back to Texas, because we had no money and could not afford our apartment anymore. As I said I told her I had just gotten a good job and that I hoped to pull my family to a higher standard of living since I live in a very high cost of living area.

At the time it was a month before Christmas. I asked her if I could begin paying in January, that I owed \$1,600 in payday loans and that I had just worked out a payment plan to get out of them. I also let her know that I was very behind in my electric bill and if I could with another month to start paying it would be easier on me. I told her I could pay \$250 a month and she said no that it had to be \$460 or my wages would be garnished. I was threatened with garnishment over and over again. Also, this person calls me on my work cell phone; I don't want her to ever call me again. She called me over and over again when I was in meetings at work on this phone. She has been given my home phone but she insists on calling my work cell phone. (She has acted very

inappropriately telling all about her personal life). Needless to say I have paid the \$460 every month and gotten further in debt with the payday loan people having to take out a third pay day loan so we could eat. I would have been evicted from my apartment last month had I not borrowed the rent from a friend. Paying this much every month has had a snowball effect and it is wrong. I agree I took out the loans. I was very stupid and ignorant to have done so. The U.S. Department of Education makes more money off of defaulted student loans. I will never be able to own a house or retire. I can't save for my son's education. Trust me he won't take out student loans. I will eventually be a burden on the system. The federal government is bailing out big companies who willingly gave out mortgages to people who could not pay. All I wanted was an education. Your actions are criminal.

The U.S. Department of Education should work out a better plan for people like me who do not have the funds and will never have the funds to pay off these loans without hardship. If I had a good paying job and I had a spouse who did as well, we would have no problem paying this back. The U.S. Department of Education needs to look at individuals and say okay, we offered this person a payoff of \$25, 000, which she could pay if she were RICH. Since this person will never be rich let's let her pay the original loan of \$35, 000 so her life isn't ruined. I took out the loans. I do owe the original \$35,000. I was told that you had to have an education to make it. I was told that I would have no problem paying these loans off by college counselors. I am a hard working American. I have worked hard my whole life. We need to teach kids financial literacy in school and restore standard consumer protections. This past year has been hell. I was already pushed to the limit before this trying to take care of my family. The stress has wreaked havoc on my health and my husband's health. I am of course thankful that this loan will be rehabilitated and off of my credit report. I am not thankful that the interest will be capitalized and I will be paying it for the rest of my life.

Sincerely,