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Macias, Wendy

From: [REDACTED]
Sent: Tuesday, June 23, 2009 6:51 PM
To: negreg09
Subject: Comments...

Thank you for taking the time to hear our comments. As someone who has experienced first hand the student loan system, I am glad that you are taking the time to listen to our side of the story. For far too long it seems that the student loan industry has had their way with impunity, doing whatever they could get away with to collect student loan debts that many consumers have little or no hope of ever being able to repay. Having been in that situation myself, I know what it is like; I have been called so many times at work that I ended up leaving that job over it, I have had so many collection calls at all hours day and night that I ended up disconnecting my home phone, and because the FDCPA does not apply to them they are able to do all these things and worse with no accountability. Like many other people, I would pay them off if I could, but when it comes down to a choice between keeping a roof over one's head and buying food for your children, I had to take care of my family first.

Believe it or not I am one of the "lucky ones" you might say, I did get a "consolidation" under terms that did not exactly favor me or my best business interest, but at least it stopped the collection calls. When my forbearance ran out and I started to get the threatening letters demanding \$1500 a month or else (this was about \$100 less than my entire take home pay for the month) I had the opportunity to go back to school and get another deferment so I did. It may sound like a pretty foolish solution, but they way the student loan system is set up, perverse "incentives" like that are the rule rather than the exception...

Looked at another way, the student loan industry has quite an unusual privileged position. Think about it, when a country in the developing world defaults on their debt because they have no reasonable hope of ever paying it back under the original terms our government forgives them, when power companies are given special protection from competition by the government they are not allowed to "do as they please" with consumers, part of the bargain is that they operate as a public trust in exchange for their special privileged position. For the student loan industry there is little or no accountability; they can loan money for an education with a dubious economic value, the school can even go out of business, but the poor hapless consumer at the end of the food chain is always the one left holding the bag. Please consider restoring standard consumer protections to student loans and giving a break to many struggling families...

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