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Macias, Wendy

From: [REDACTED]
Sent: Tuesday, June 16, 2009 1:33 AM
To: negreg09
Subject: Student Loan Crisis

In the flurry of the mortgage meltdown, a larger problem has been virtually ignored by the public: student predatory lending. Student loan companies – in particular Sallie Mae – have, over the past three decades, virtually insulated their massive profits because they are protected by the federal government from borrower bankruptcy. This is the most insidious type of lending in practice today!

I borrowed \$30,000 approximately 14 years ago to attend a vocational school. Today, without default, my loan has ballooned into an \$85,000 balance. My payments of \$800 per month will be in effect until I am 66 years old! That is, assuming I do not default! For people forced into default because of other pressing financial matters – i.e., rent, food, etc. – the situation is even more critical, as penalties and fees are added to the balance. It is virtually impossible to pay off these types of loans! Oh, and don't forget about those who made the "mistake" (in an effort to be responsible") to consolidate, because once student loans are consolidated, they are never ever again allowed to be refinanced? What kind of country do we live in? My consolidated loan is and has been at 9% interest, because Sallie Mae, with its heavy lobbying, leaned on Congress to create the "new rules" – to benefit only one side – the lender.

Sallie Mae, *a private corporation*, has been abusing its non-dischargeable privileged status to inflict draconian measures on its borrowers. How in the world can they justify an \$85,000 bill for a state certificate for which I only paid \$30,000 initially? This is debtors' prison! And yet, I am not alone. At least five million people in the United States have defaulted on their student loans, or are perilously close to doing so – not due to their own greed or personal gain -- as the media once pronounced back in the 1970s. or how columnists from the *Wall Street Journal* might imply – but because regular people, like me, tried to do the right thing – that is, get an education! We are being punished with compounded interest, penalties and fees. The proof is in the pudding. It is the *borrowers* who are scraping by just to pay their bills; and yet we are called "deadbeats" and "greedy"? Let us focus our attention on the true culprits of this crisis -- the executives at Sallie Mae and Ed Fund who travel around in their jets and go on tropical vacations with their unlimited expense accounts. Believe me, I have not been on one vacation in over 10 years!

We need to be free from this predatory lending. **It is absolutely mandatory that consumer protections be restored to student loan borrowers.** This is not just a "little problem." We're talking about a big movement – remember Vietnam! The Civil Rights demonstrations? This is what Congress can expect very soon if it doesn't figure out that it has ruined the lives of so many of its educated citizens. The result will be a nation of "educated" people in massive debt stumbling alongside the working class who can't even afford to pay for a textbook, let alone an education. Is this how we want our great nation to fall? The Greeks – whom we base our democratic system -- would mock us if they saw how the United States treats runs its education system! If things don't change immediately -- in favor of the people -- this great nation will surely see the end times, and soon.

Thanks for listening.

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Macias, Wendy

From: [REDACTED]
Sent: Thursday, June 18, 2009 1:51 AM
To: negreg09
Subject: RE: Thank you for your comments

I believe that private corporations like Sallie Mae need to be regulated. It is crazy that people are not allowed to negotiate the amount of their loans until AFTER they go into default! Of course, that way, the corporation has the upper hand, in that penalties and fees have already been assessed on the "negotiated amount" they ultimately agree on, which is always a lot more than the original principal. Also, they are notorious for not providing paperwork to its lenders, "forgetting" to send statements, or misleading students into when the payment start dates begin and then calling them to tell them they are "late." To date, I have never received a copy of my consolidation contract; yet they are holding people like me accountable for loans that borrowers cannot fight in court, because the lawyers need to see what the contract looks like before they can claim breach of contract! Furthermore, Sallie Mae is exempt from certain causes of action such as usury or the Fair Credit and Lending Act – a corporation who has more power than even the large banks? It is for this reason that Sallie Mae has been able to easily abuse its status and charges whatever it feels like. There is something very, very wrong with this system. Also, note that Sallie Mae actually *owns* the collection agencies that it "contracts" with to collect late payments, thus raking in huge profits. Sallie Mae **MUST** be investigated, and the people at their mercy need to be given back their **standard consumer protections**. We have a right to not live in fear of paying our bills every month.

FDR said it best: Freedom from Fear

Well, all of us in massive student loan debt are suffocating with fear.

Thank you for listening.

From: negreg09 [mailto:negreg09@ed.gov]
Sent: Monday, June 15, 2009 10:33 PM
To: [REDACTED]
Subject: Thank you for your comments

Thank you for your comments on the Department's intent to establish negotiated rulemaking to develop proposed regulations for foreign schools and to maintain or improve program integrity.

After we have reviewed all public comments, we will publish a notice (or notices) announcing the specific subject areas for which we intend to establish negotiated rulemaking committees, and a request for nominations for individual negotiators for those committees.

The Office of Postsecondary Education
U.S. Department of Education