

**Macias, Wendy**

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**From:** [REDACTED]  
**Sent:** Tuesday, June 16, 2009 5:15 PM  
**To:** negreg09

To Whom It May Concern:

I have been asked to share my story of student loan distress with you, in the hope that you might have some ability to help the thousands of people like myself who are facing crippling educational debt, increased and increasing exponentially because of the fees and penalties.

I graduated from Pepperdine University in 1993, the first in my family to go to college and having taken out my first loan at 18, without any education as to financial affairs. My student loan "counselor" at Pepperdine assured me not to worry about the increasing debt I was incurring when I expressed anxiety, because I was going to be a lawyer. That was my plan.

Like sometimes happens in life, plans do not always unfold the way you would like. I attended less than a year of law school before suffering a sort of post-traumatic near breakdown following the Northridge earthquake, and subsequent fires and floods in 1993 and 1994, during my first year of law school. These stressors, coupled with my increasing anxiety about my educational debt and health issues perhaps brought about by my financial pressures, I dropped out of law school.

Having majored in English and Journalism at Pepperdine, I used my degree and worked as a journalist and also as a teacher. However, my \$24,000/year salary did not support the student loan payments as they became due.

Fast forward some 16 years later. I am the managing editor of a health publication, an editor and writer with a small business, Insight Editorial and a handful of clients. I work 50 hours weekly to support my family, which consists of me and my two children. I share a home with another single mother and her child to afford rent payments. I make about \$40,000 per year and was recently sent a garnishment notice from a collection agency called GC Services.

They claim I owe \$115,000 in student loan debt and have violated the Fair Debt Collection Practices Act by continuing to call me at work after being requested not to repeatedly by both myself and our accountant. I am also being pursued by a collection agency called NCO Services, claiming I owe an additional \$20,000. I have requested debt validation documentation from both of these services, having yet to receive the documents.

While my desire is to pay back my loans, the penalties and fees have become monumental, making the loan an extreme hardship on my family. It seems unfair that every other type of loan includes some sort of consumer protection if the risk of lending the money does not pan out for the lender. There are no statute of limitations, nor bankruptcy protections for these loans. Although students are much less business saavy then the countless number of large businesses currently being forced to declare bankruptcy and not paying back their loans because their plans to pay them back were not working out. Removing these protections creates a climate for predatory lenders to take advantage of naive students as young as 18 and 19 years old to sign loans for \$100,000s although they may be majoring in a subject where the average salary is a quarter that amount. Is this business sense? Shouldn't there be some mandatory realistic counseling about the logistics of paying back the loans? There was never any discussion or counseling about this for me or many of the students I know who attended Pepperdine. Instead, it was sign the papers and don't think about it, don't worry about it.

As many of my friends and neighbors, I am struggling in this tough economy, and this crippling student loan

debt from 16 years ago that only greedy collections agencies are making huge profits on collecting, is prohibitive to the well-being of myself, my well-being and the well-being of my two children, ages 8 and 11, for which I am solely responsible for raising and supporting.

Please consider passing legislation to help me and others in this precarious situation of facing a lifetime battling abusive collection companies trying to collect money that I would have to win the lottery to be able to pay back. May I suggest building a clause into a legislation that if any student who is relieved of a student loan debt and then later, becomes able to pay, voluntarily pay back the original loan amounts. Thank you for your consideration.

Sincerely,

