

## THE PROJECT ON STUDENT DEBT

June 21, 2006

Acting Assistant Secretary for Postsecondary Education James F. Manning  
U.S. Department of Education  
Office of Postsecondary Education  
1990 K Street, N.W.  
Washington, D.C. 20006

Dear Acting Assistant Secretary Manning:

As co-petitioners of the May 4, 2006 petition for rulemaking urging the Department to address student loan repayment burdens, we thank you for your response on behalf of the Secretary. While we are disappointed that the Department has chosen not to take immediate action on this issue, we are pleased that, as stated in the letter, the Department “will consider the ideas addressed in [the] petition in any future rulemaking in this area.”

We commend the Department for recognizing the need to address student loan repayment burdens. We also respect that, in the interest of efficiency, the Department is inclined to consider the improvements suggested by the petition in tandem with other rulemakings. However, because our proposed changes address an urgent need, which will only intensify as college costs and interest rates rise, they merit immediate attention. These changes would significantly improve the Department’s quality of service by simplifying and rationalizing currently inflexible, irrational, and confusing regulations, thus allowing more borrowers to meet both their loan obligations and their families’ needs.

As Acting Under Secretary and Chief of Staff David Dunn noted during his meeting with representatives and allies of the Project on Student Debt on May 1, 2006, and as your letter suggests, the next rulemaking that arises from the Higher Education Reconciliation Act of 2005 and/or the Commission on the Future of Higher Education’s final report will be an opportune moment to formally address the repayment issues laid out in the petition.

In that context, we urge the Department to move swiftly to focus regulatory attention on these recommendations to improve the effectiveness and clarity of the student aid system. The Department has the opportunity to turn mounting concern over financial obstacles to higher education into policies that, by making student debt more manageable, will both help responsible borrowers and increase public confidence that college is still possible.

We look forward to learning how we can further support the Department in working to alleviate student loan burdens, especially for the lowest income and most economically stressed borrowers. We appreciated the opportunity to meet with Acting Under Secretary Dunn and look forward to continuing our productive discussions with you and other representatives of the Department on this issue. In the meantime, we will continue to pursue research and develop policy proposals to assist the Department, the Secretary’s

Commission, and other concerned parties to address the increasingly pressing issue of rising student debt.

Sincerely,

The Project on Student Debt at The Institute for College Access and Success (TICAS)  
American Student Assistance  
College Board  
Great Lakes Higher Education Guaranty Corporation  
The Howard Center for Family, Religion and Society  
State Public Interest Research Groups (PIRG)  
United States Student Association (USSA)