



American Council on Education
Office of the President

May 4, 2006

The Honorable Margaret Spellings
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

RE: Administrative Petition to the Department of Education Regarding Proposed Amendments to Student Loan Repayment Regulations

Dear Secretary Spellings:

We write to support the goals of the administrative petition submitted to the Department today by The Institute for College Access and Success (TICAS), et al. and to urge the Department to consider the petition's recommendations to: (a) establish required payment levels on federal student loans that are more likely to be manageable for borrowers; and (b) increase the accessibility of federal repayment assistance.

As you have said "[i]n today's global economy, about 80 percent of the fastest-growing jobs require postsecondary education....[Yet] less than a third of Americans have bachelor's degrees." While student loans enable many to attend college, the prospect of high student debt may be deterring low- and moderate-income students from seeking higher education. Even students who attend college despite the fear of unmanageable loan burden encounter barriers because of their debt. High-debt borrowers may be deterred from pursuing public service careers as teachers, day care and health care workers, and other professionals essential to meet our country's needs. Also, borrowers may be delaying numerous life choices because of their loan burden such as purchasing a home, buying a car, getting married and having children.

Finally, while some students are able to comfortably repay their loans, an increasing number of borrowers confronted with unanticipated circumstances are facing unmanageable repayment burdens. Our student loan repayment system should incentivize struggling borrowers to avoid default and instead encourage them to continue to pay off their loans. Without improved protections for borrowers, the nation may see an increase in defaults and bankruptcies rather than an increase in productive graduates who can contribute more fully to society.

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Congress has acknowledged the importance of educational opportunities by creating a federal student loan system that includes a number of provisions designed to ease repayment burdens. However, the intensifying reality of high student debt has left many borrowers without adequate protection. This disturbing trend will have a significant impact on the health of our economy and the well-being of our people.

We urge you to respond to the current reality of high student debt burden and petitioners' recommendations by opening a rulemaking with the purpose of improving student debt manageability.

Sincerely,

A handwritten signature in black ink, appearing to read "David Ward", written in a cursive style.

David Ward
President

DW/cms

On behalf of:

American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges