

May 25, 2011

The Honorable Steve Cohen  
Ranking Member, Subcommittee on Courts, Commercial and Administrative Law  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Ranking Member Cohen:

On behalf of the undersigned organizations, we are writing to express our strong support for the *Private Student Loan Bankruptcy Fairness Act of 2011*.

Private student loans are one of the riskiest, most expensive ways to pay for college. Like credit cards, they typically have variable interest rates that are higher for those who can least afford them. However, private student loans are treated much more harshly in bankruptcy than credit cards and other comparable types of debt.

Private student loan borrowers also lack access to the important deferment, income-based repayment, or loan forgiveness options that come with federal student loans. This leaves most private loan borrowers at the mercy of the lender if they face financial distress due to unemployment, disability, illness or military deployment, or when a school shuts down before they can finish their certificate or degree.

With recent reports that student loan debt has outpaced credit card debt, the *Private Student Loan Bankruptcy Fairness Act of 2011* is needed now more than ever. This legislation would reverse the unfair and unjustified special bankruptcy protections for private student lenders included in the 2005 bankruptcy law. Our broad coalition of groups representing students, consumers, higher education institutions, faculty and staff, as well as civil rights and public policy organizations thanks you for your leadership on this important issue.

Signed,

American Association of Collegiate Registrars and Admissions Officers  
American Association of Community Colleges  
American Association of State Colleges and Universities  
American Association of University Women  
American Council on Education  
American Federation of Teachers  
Americans for Financial Reform  
Association of Public and Land-grant Universities  
Campus Progress Action  
Consumer Action  
Consumer Federation of America  
Consumer Federation of California  
Consumer Watchdog  
Consumers Union  
Dēmos: A Network for Ideas & Action  
The Education Trust  
Empire Justice Center  
The Greenlining Institute  
The Institute for College Access & Success and its Project on Student Debt

National Association for College Admission Counseling  
National Association for Equal Opportunity in Higher Education  
National Association of Consumer Advocates  
National Association of Consumer Bankruptcy Attorneys  
National Association of Student Financial Aid Administrators  
National Center for Public Policy and Higher Education  
National Community Reinvestment Coalition  
National Consumer Law Center (on behalf of its low income clients)  
National Consumers League  
National Council of La Raza  
National Education Association  
Public Citizen  
Rock the Vote  
UNCF  
U.S. PIRG  
United States Student Association  
Young Invincibles