NATIONAL EDUCATION ASSOCIATION
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Great Public Schools for Every Student

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Committee on Banking, Housing and Urban Affairs
Subcommittee on Economic Policy
U.S. Senate
Washington, DC 20510

Dear Senator:

The 3 million members of the National Education Association thank members of the subcommittee for holding this important hearing, "Protecting Student Loan Borrowers and the Economy in Upcoming Transitions." We appreciate this opportunity to offer comments for the record.

This week, the NEA is releasing the report "Student Loan Debt Among Educators: A National Crisis," which reveals the extent of the loan crisis for those who have dedicated themselves to teaching and supporting students, from pre-kindergarten through higher education. According to our data, these educators hold an average of $58,700 in student loans. Fourteen percent of borrowers are $105,000 or more in debt.

Our report found that debt is rising not due to increasing enrollment in colleges and universities, but due to the escalating cost of college. Between 2007-08 and 2017-18, the cost of attending public colleges increased by 31 percent. During the same period, the cost of attending private, non-profit colleges grew by 23 percent.

Student debt totals approximately $1.6 trillion, second only to consumer mortgages. This debt is burdensome for all borrowers, but is especially troubling for educators, who earn less than other professionals with similar levels of experience and education.

Student debt keeps borrowers from buying homes, saving for retirement, and taking other important financial steps. It is a tremendous drag on our economy because borrowers paying down loan payments rather than purchasing goods and services or making investments. Increasingly, this debt is also discouraging college students from considering careers as educators, and it is forcing current educators to opt for careers that pay higher salaries.

NEA's report recommends the following:

- Enacting broad-based federal student debt cancellation of at least $50,000 for all borrowers, regardless of the type of loan or when the borrower took the loan; and
- Cancelling student debt for educators and other public service workers who have served for a decade or more. This would deliver on the promise of the Public Service Loan Forgiveness (PSLF) program, which was created in 2007 to wipe away federal student

loan debt for educators and other public service workers after 120 qualifying monthly payments.

NEA also supports the What You Can Do for Your Country Act to make much-needed fixes to the PSLF program. The program has been mired in such mismanagement and confusion that applicants are much more likely to be denied forgiveness than to receive it: Since 2017, 98 percent of the professionals who apply for loan forgiveness have been rejected.

The What You Can Do for Your Country Act would take several steps including:

- Expanding eligibility for forgiveness to include every type of federal loan and repayment plan;
- Simplifying the application and certification process;
- Requiring the Department of Education to give borrowers better information and guidance, provide a fully electronic system for uploading and processing all forms, and establish a database of qualifying federal and state employers to help some borrowers qualify automatically; and
- Allowing borrowers to receive a partial forgiveness benefit after five years of public service.

We believe these steps will help end the student loan debt crisis and encourage more people to consider entering education and the other essential public service careers upon which all communities rely. Thank you for considering our comments.

Sincerely,

Marc Egan
Director of Government Relations
National Education Association