88

Macias, Wendy

From: [redacted]
Sent: Tuesday, June 16, 2009 6:04 PM
To: negreg09
Subject: Comments, Negotiated Rule-Making Process, Repayment of Student Loans, Specifically referring to students who have become disabled after receiving loans.

To Whom it May Concern:

I am submitting the following letter -- which includes proposed legislation I have drafted -- at the suggestion of a few Committee staff members. I have sent variations of this letter to several members of Congress. Suffice it to say that the statute as written does a grave disservice to any student who attempts to educate themselves -- for the betterment of themselves, their families, and society -- and then has the misfortune to become disabled.

The statute as written relegates these disabled students to a position where, in fact, they will essentially never be able to repay their student loans absent a miracle cure decades in the future (by which time they might be well past retirement age), or a lottery win. A system which burdens lower and middle class students in such a way is not only cruel, but at stark cross-purposes to any society that purports to be a meritocracy. Thank you.

Re: **"Hope for the Disabled in Financing Higher Education Act":** Proposed overhaul of student loan repayment legislation vis-à-vis students who have become disabled subsequent to taking out their student loans.

Hello. My name is [redacted] and I have drafted some legislation that would overhaul – and add some common-sense fairness -- into the present student loan repayment legislation (34 C.F.R. 682.402(c)) re students who have become disabled subsequent to their taking out student loan debt.

I have also included a link to a Forbes Magazine article (February 2, 2009) detailing the onerous burden placed on the middle class by the current student loan system. The disabled are even far worse off than the "regular" student loan debtors profiled in the article.

My proposed legislation (provisions beginning about halfway through this letter) is called the **"Hope for the Disabled in Financing Higher Education Act."**

cause the currently-existing legislation consigns many disabled student debtors to an impossible situation in which they will never be able to pay off their debt despite the fact that they remain permanently disabled, many

disabled student loan debtors and their families have endured a crushing load of anxiety and hopelessness for years. That hopelessness will continue unless the existing legislation is changed.

The following letter provides an overview of the existing legislation, an articulation as to why it needs to be changed, as well as a detailed proposal for that revised legislation. I would be very interested in providing any help that I can, based on my own lengthy experience. My phone is [redacted].

Introduction

For many students, such as myself, taking on student loan debt is the only means available to them to pursue higher education. For the student who subsequently becomes disabled, current student loan legislation -- specifically, the rules governing cancellation of student loan debt due to disability and the amendments to that scheme which took effect July 1, 2002 – are profoundly and chillingly unjust for disabled students of the lower or middle classes.

Why the Department of Education ("DOE") Disability/Cancellation Provisions of 34 C.F.R. 682.402(c) need to be revised to make the law fair to disabled former students.

Note: Throughout this proposal I will use the abbreviation DFS to refer to former students who, subsequent to completing their study, became disabled.

Objective: To change the provisions of 34 C.F.R. 682.402(c) and related DOE regulations to make them fair to disabled former students, who are likely to have no realistic ability to ever pay back large student loan burdens.

Problem: Currently, there is no provision for a DFS to have his loan burden substantially reduced after becoming totally and permanently disabled. The statute allows only one means by which a DFS can deal with a loan burden he will likely never be able to repay because of disability. The DFS must sign, and have his doctor sign, a form that cancels loans on the basis of total and permanent disability.

But here is the real problem: The definitional language of the form requires both the student and doctor to assert that the student will never again be able to work, *"even to a limited extent,"* the rest of her life. The actual language of this provision on the form is as follows:

"The United States Department of Education has received a disability form, signed by you, certifying the above referenced individual to be totally and permanently disabled. Federal regulations define this as "unable to work and earn money because of an injury or illness that is expected to continue indefinitely or result in death." If the individual is able to work, even on a limited basis, currently or in the future, he or she is not considered to have a total and permanent disability as defined above. Please review your records and return this letter to the fax number listed below within 3 business days."

The phrase "limited basis," is not defined, but the plain meaning of the phrase, as well as the fact that it is doubly-underscored on the physician's follow-up form, must lead a reasonable physician to assume that it means that if a student *is earning, has earned after her disability begun, or could ever earn any amount of money at all from work* ("even on a limited basis") – for instance, $50 a month cutting hair from her bedroom, $70 making occasional phone calls for market research firms, $35 helping a friend with an odd job, $10 submitting an Internet post – she is not eligible for loan cancellation.

Obviously, in an era when food prices are rising, when a basic apartment can seldom be rented for less than $800 per month, de minimus employment makes no difference whatsoever in a DFS's ability to pay off her loans, let alone live at all. Yet, under a plain reading of the form (and how else is a doctor, or a DFS, supposed to read a form?), again, if a DFS is earning, has earned after her disability begun, or could ever earn **any** amount of money at all from work ("even on a limited basis") then she will never be able to have her loans cancelled, *or even reduced.*

This legislation -- whether by honest omission or design -- is cruel in its utter failure to account for the vicissitudes of everyday life for the average low or middle class American. A chronic illness and subsequent disability can lead to loss of a job and any form of economic well-being, loss of ability to participate in rudimentary aspects of American life (work, marriage and family). The disabled are three times as likely to live in poverty. And many DFS are barely surviving at all, as they have not had the opportunity to accumulate many years of employment, and therefore their social security disability payments are small. At the lower end, SSDI payments can be as low as $700 or $800 per month.

Yet, under the above-cited current student loan cancellation regulations, if a DFS is working a little, because, for instance, she happens to have found a five-hour per week part-time job that she can handle and would be unable to pay her rent otherwise, the DFS is still ineligible for loan cancellation.

For the disabled, there is a world of difference between being able to work sporadically, occasionally, or a de minimus number of hours, and being able to work at the kind of full-time, professional position that would allow one to fully participate in American life (rent an apartment at the market rate, for instance) and pay off one's student loans.

In fact, ironically, the poorer a DFS is, and the lower his/her disability payments, the more likely it is that he/she will need some supplemental income (such as $50 per month to pay the electric bill) – even though there is no way she could ever work regularly at a regular, reasonably paid position that would allow repayment of student loans. Yet it is this very desperate need for a few extra dollars here or there for the barest of living expenses – food, shelter, heat, electricity, winter boots – that consigns a poor DFS – under the current legislation -- to never have her loans cancelled.

In other words, the poorer a DFS is and the lower her social security disability payments, the less likely it is that she will ever be able to have her loans discharged, or even substantially reduced, even though she is the type of DFS most in need of a discharge.

Why divorcing the standard for cancellation (or compromise, under my proposed plan) of student loans from the determinations of disability made by Social Security Administration in determining SSD eligibility is inefficient, a waste of government resources, and unnecessarily begs the question of whether a DFS is disabled.

In fact, various statutes and actual practices of the DOE point to a defacto standard of disability which lasts more than three years, but the fact that the SSA standard is for a lesser time frame does not necessarily preclude relying on SSA determinations, particularly as they are reviewed at intervals and also because by the time a DFS has received SSD, they have most likely experienced three years or more of actual disability.

The student loan repayment legislation as it exists is supposed to create some kind of heightened standard -- beyond that of permanent disability as defined by the Social Security Administration (over one year) -- for cancellation of student loans. Yet, as stated above, not only are SSA determinations reviewed at intervals (3 years is typical) but, but the time many SSDI recipients actually receive disability they have probably experienced at least three years of *actual* disability.

Even under SSD standards, a SSD recipient may work a minimal amount (I believe the maximum income per month is around $800) and still keep receiving SSD. That is because the SSA wants to encourage SSD recipients to attempt to work, and realizes that the realities of existence may require more income for the basic necessities of life (food, shelter, clothing) than a recipient receives under SSDI.

Yet, in allowing this minimal amount of income for work, Social Security recognizes that an individual receiving SSD is not thereby capable of leaping full-time into the work force. It is a crucial distinction.

. one is unable to work at anything approaching a full-time regular position, one is probably barely subsisting at all, let alone able to pay off student loans. It is hard enough, in this economy, for even those who are working

full-time or more, as we are reminded in our communities and on the news daily, let alone for those who are disabled and not working anywhere near full-time.

Moreover, the reality of the situation is that by the time one actually receives SSD, one has probably already been disabled much longer than one year. Disability is for many not only a gradual decline in abilities, but a gradual realization -- in many cases, a grudging realization -- that one is in fact disabled and can simply not "keep up" and earn a living.

Refusing to acknowledge social security disability as valid evidence of disability places those receiving it -- who might nonetheless manage to work a totally de minimus amount -- into the situation of being unable to earn a living, let alone pay off student loans, yet somehow "not disabled enough" for purposes of student loan cancellation. For those of us who have been disabled for several years, this is obviously a nonsensical situation.

It is critical to recognize that the current legislation as amended in 2002 sets up a defacto "three-year" disability rule for DFS seeking loan cancellation, as the legislation states that the student may earn no more than poverty level for a family of two for three years after the disability date, after which the loans are cancelled.

urther support for the idea that Congress has intended permanent disability cancellation to be available to DFS after three years of disability exists in the DOE regulations regarding disability deferments. These "temporary disability deferments" are only available a maximum of three years. One wonders what happens after that three year point – if a person does not magically become "able" are they then expected to resume payments as if they were able and working? Obviously not.

The DOE for years has been operating on a defacto "three-year" period after which loans can be cancelled for disability. The problem is, it has not been codified.

Other limitations of the current legislation

A. The Conditional Disability Department (CDD) can reject a student's disability form for any reason and is not required to give the student any details as to why.

r instance, the CDD could decide to reject the cancellation form because the doctor did not return the CDD's request for additional information within the incredibly tight three-day timeline listed on the cancellation form (anyone who has been to a doctor recently realizes that it is totally unrealistic to expect a doctor to fill out an

additional form (beyond the initial permanent disability form), requiring much more detailed information, for which he will not be compensated, and to do so within three days.

A student cannot fight the CDD's decision when she does not know on what basis it was made. In fact, in at least one instance, the CDD's denial was all of three words: "Medical Review Failure." (Tellingly, when I inquired of the CDD a few years ago as to how many doctors they had on staff to evaluate cancellation disability claims and whether any of those doctors were specialists, I was told that the CDD had exactly two doctors on staff and that neither was a specialist).

B. Although I believe there is an appeal to the CDD's decision, when the CDD is not required to give any details as to its decision, a student already wrestling with disabilities is not in a great position to fight the system – especially when the arbiter of that appeal -- the DOE -- will be creditor, the judge and jury.

C. Because a DFS is likely to be one of the 47 million Americans without health insurance, a DFS probably has no regular doctor who has followed her long enough and is willing to put his/her name on the line of the cancellation form and fight for her. A DFS is disabled and probably unemployed; lack of medical insurance usually goes hand in hand with unemployment. Although there are scattered low-cost clinics for the uninsured, it is even less likely in these crowded environments that a DFS will find a doctor willing to put his/her name on the line – even if the doctor does feel that he can assert, in all good conscience, that a DFS will never be able to earn any amount of money the entire rest of his/her life.

D. Doctors are not, and should not be expected to be, seers, able to predict the future state of medical care and treatment and how it might affect the DFS several decades hence. Medical treatments, breakthroughs, and knowledge changes daily. The AIDS treatment that looked hopeful last year could be found to be a disappointment this year. The hormone replacement therapy routinely prescribed for women last year is found to increase the chance of cancer this year. And need I list any of the widely used medications that have been recalled in recent years? Many of the most ethical doctors may well hesitate to sign a form requiring them to predict the state of medicine vis-à-vis the DFS far into the future, although at the moment they cannot contemplate the DFS earning the most meager of incomes.

E. Many doctors shy away from making any kind of disability determinations. They reason – accurately – that their responsibility is to treat illness and disease, not to get into the business of vocational predictions.

F. The current legislation makes no provision for loan compromise based on disability; even if it did, again, DOE regulations require the compromise amount be paid in a lump sum – an utter impossibility for many DFS.

If the DFS cannot obtain cancellation because he cannot find a doctor to sign the form or because the CDD has rejected the DFS's validly-signed cancellation form, if the DFS persists through all the threats and garnishment of the DOE and its collection agencies to seek a compromise, (which, in fact, the student is never informed they can seek in standard DOE literature), the DFS, who is likely to be poor and not even scraping by on Social Security Disability, is required to have on hand the entire principal amount (which must be paid in full in 45 days) or else, sorry, they aren't eligible for loan compromise. No matter that they don't have the principal amount because they are disabled.

It strains the imagination to envision how a poor DFS with no credit, no income, no other resources, and possibly tens of thousands of dollars in debt, is supposed to obtain capital to satisfy a compromise. The situation is simply surreal.

The profoundly chilling effect of the current legislation on the lives of middle and lower class DFS cannot be underestimated.

Living with a huge ever-spiraling debt-load is akin to waking every morning with a massive boulder poised above one's head. The DFS' credit is ruined, even as good credit increasingly becomes a pro forma requirement for buying or renting a home, employment, car insurance, etc.

And, of course, here is where the huge difference between the disabled student from a lower or middle class family and the student from a wealthy family becomes glaringly apparent.

While the student from a wealthy family can get a gift or trust distribution from Mom, Dad, Brother William or Aunt Sue that will end the whole nightmare once and for all, the student without family means or means of making a living themselves is simply left out in the cold, to fend for themselves against ridiculous odds.

The manifest unfairness of the current system boggles the mind. While corporations routinely lobby for special provisions to be inserted in the tax code reducing their corporate tax share; while CEOs often take home millions even after bankrupting and defrauding their companies, draining the pensions of employees, and ruining investors; while corporate bailouts of billions and even trillions are approved for the largest corporations in the world, while oil companies defend their billions in profits with straight faces; disabled students are still left to fend for themselves with regard to massive student loan debts they will never be able to repay, with the interest mounting all the while, merely because they wanted to invest in their education and then were unlucky enough to become disabled.

The profound limitations placed on a life by poverty cannot be overstated or underestimated. A poor DFS who is relieved of the worry of a huge debt is more likely to be able to address her disabilities and possibly return to some kind of work eventually – paying more taxes into the system as a result.

Other current, unacceptable alternatives to the current loan cancellation scheme.

As the legislation currently stands, there are only two other options for DFS besides the current loan cancellation scheme. In a nutshell, they are both bad options and therefore non-options.

1. Hardship bankruptcy discharge

First, hardship bankruptcy is denied much more often than not. Second, there is little consistency between the decisions of various appellate courts regarding the circumstances that would merit a discharge. Third, unlike basic Chapter 7 consumer bankruptcy, the three-prong test used for the hardship discharge is inherently subjective – thus a DFS whose only "crime" was becoming disabled is forced to try and explain her disability and all the impoverishment and anguish it has entailed to a judge who may or may not have any experience or understanding of disability at all.

Fourth, bankruptcy comes along with a stigma as well as future credit implications; it also requires a public court case that costs money to pursue. Yet, a DFS has been placed in his predicament by a disease or an accident that is no fault of is own.

And, again, if one reads the cases, which I have, hardship bankruptcy discharge is denied much more often than not.

2. Direct Loan program.

The Direct Loan program allows consolidation of defaulted loans, and the Income Contingent Repayment Plan supposedly makes things easier on students by allowing them to pay according to their income. There are many problems with attempting to solve the issues faced by DFS with the Direct Loan program.

First among them is that the Direct Loan program makes no accounting for disability. The permanently disabled student who is unable to repay his loans due to disability is treated the same as the student who defaulted on

loans through blatantly irresponsible spending. Secondly, rather than easing the burden of loans which a student obviously cannot repay, *the Direct Loan program only increases that total burden, by 25%, and then the student must pay interest on the increased amount as well!*

The effect of consolidating under the Direct Loan program is thus: a DFS is faced with perhaps tens of thousands or even hundreds of thousands of defaulted loans that they will never be able to repay. Then, that total amount is increased by 25%, interest accumulates on this greatly enhanced amount, and the student is on the hook for all of it, despite the fact that they are permanently disabled!

It is clearly unfair to punish a DFS who has probably not been able to earn any income for years and will not be able to earn any by adding a 25% extra charge to the cost of their loans when the DFS can't even pay the principal.

It would seem that those who have been disabled -- and suffered a corresponding loss of health, confidence and well-being, income, health benefits, 401k benefits, pension benefits, and professional experience-- should be paying less, rather than more, interest as a result of their disability. In addition, those who have lost all the above-mentioned benefits due to disability certainly should not have to pay an extra fee of 25% of the total amount, upon which interest will continue to accrue. Yet that is precisely what will happen to a disabled person if they consolidate under the Direct Loan program.

As any credit counselor or Bankruptcy attorney will tell you, having a crushing debt on one's credit history with little or no income leaves one in as bad a position or worse as a bankruptcy. Essentially, one is consigned to endless worry and fear, and hope is gradually extinguished as the debt continues to spiral out of control. Yes, supposedly there is an eventual reprieve, because under the Direct Loan program after 25 years the remaining debt is forgiven. But in the meantime, the debt will most certainly foreclose any real credit options.

<u>How the current legislation, as well as either a hardship bankruptcy discharge or consolidation under the Direct Loan program puts a DFS at a substantial disadvantage by worsening their credit.</u>

In today's society, the all-important credit score is a ticket to existence. Rightly or wrongly, credit scores are now used not only for the classic uses (eligibility for a credit card) but will also determine whether one can rent an apartment, what rate one will pay or if one can get car insurance, or whether one has to pay a larger deposit to receive basic utility service. Most importantly, many employers now require credit information before offering employment. Again, a huge unpayable debt hanging over a disabled student's head will only severely dampen, not hasten, their attempts to reenter the workforce and society.

Moreover, a huge unpayable debt eliminates a disabled student's access to capital. Because of obvious barriers in traditional employment, many of the disabled seek to make a limited amount of money through self-employment. Yet self-employment requires seed capital. How many loans will a student be eligible to receive with a mammoth debt hanging on their credit record like a toxic cloud?

The day-to-day situation now for many disabled student loan debtors is simply surreal. A student's credit is destroyed, her meager social security disability payments are garnished, and she receives threatening letters from the DOE or collection agencies acting as their agent demanding, for instance, $80,000 in 30 days. This absurd situation continues unabated as the student contemplates how to fill her gas tank to get to her next doctor's appointment with $27.00 left in her checking account.

The effect of the current rules, when coupled with the myriad frustrations that disabled former students face because of disabilities themselves and attendant lack of income – is to consign disabled former students to a what is effectively a form of debtor's prison, which is almost worse than those of bygone years, as in this case the walls are invisible but the shackles no less real.

Why the legislation as amended in 2002 needs to be changed, as it can result in a wide disparity in treatment between DFS in substantially similar positions vis-a-vis disability.

The legislation as amended in 2002, in a heavily ironic twist, provides that after a doctor has attested that a student will never be able to work ("even to a limited extent"), i.e., to earn a cent the entire rest of her life, she is then able to turn around and earn up to poverty level for a family of two (about $12,500) for three years, after which her loans will be discharged.

Again? In other words, the student who has a doctor who will agree that she can't earn a cent the rest of her life can then turn around and earn thousands and still get her loans discharged. But the student – or the student's doctor – who ethically reads a form and sees that it says plainly that a student cannot earn any money at all will have to refuse to sign the form if the student has earned even $5 or $50 since becoming disabled, or might be able to earn $5 or $50 the entire rest of her life. Therefore, that ethical student will never be able to have her loans discharged or compromised.

What? Yes, that's right. That's why the legislation needs to be changed, immediately and retroactively. Total Retroactivity is critical to address the gross inequities suffered by those who have been thrust – for the last several years -- into a virtual no-man's-land of impossible options posed by the current legislative scheme. Both before and after the legislation was amended in 2002, the crux of it has been virulently unfair.

My proposed amended legislation concerning students who have become disabled subsequent to taking out student loans:

"Hope for the Disabled in Financing Higher Education Act"

A DFS who has received Social Security Disability may apply to have his/her loans discharged. It is critical to recognize that the current legislation as amended in 2002 sets up a defacto "three-year" disability rule for DFS seeking loan cancellation, as the legislation states that the student may earn no more than poverty level for a family of two for three years after the disability date. From my own experience and that of others I know who have received disability benefits, I can assert that by the time one receives SSD one has already probably gone through over three years of actual disability.

Because Social Security Disability (SSD) can also be very hard to receive even if one is severely disabled, my system also sets up a panel that can evaluate disability whether or not a student has received SSD. This panel could be referred to as the "Panel Considering Comprehensive Circumstances of Disability" (hereinafter "PCCCD"). The PCCCD will also be used as an evaluative panel elsewhere in the legislation (as detailed below). There will be four PCCCD panels -- one for each region of the U.S.

The panel (PCCCD) will weigh such factors as disabilities, length of disability, type of disability, and the myriad economic problems that a DFS has encountered because of the disability and attendant inability to work. The student may continue through several levels of appeal. The impartial PCCCD will be compromised of (a) doctors (b) social workers (c) educational professionals (d) IRS representatives (e) CPA's, (f) employment specialists both from private agencies and from social service agencies; (g) doctors and specialists from a variety of fields as well as the naturopathic community, (h) one or two representatives of the DOE; and (i) several disabled people - specifically, DFSs who represent the norm – those who struggle each day to obtain adequate medical care, food and housing and keep up their spirits despite seeing their shot at the "American Dream" slip further and further away (as opposed to those rare DFS, few and far between, but about whom the media is fond of reporting – those blessed with strong support systems [such as marriage to a understanding spouse making a good income] who are therefore able to weather the financial and personal catastrophe that disability often represents and become moderately functional).

Simply, if a student has received SSD or is determined disabled by the PCCCD, that student's loans will be totally cancelled if the principal amount (exclusive of interest or penalties, whatever the loan type, as long as it is federally insured) is under $50,000.

If the principal amount is between $50,000 - $74,999, then 95% of the loans will be cancelled. If a student feels that they cannot pay the 5% through their own resources, they may apply to the PCCCD to have those cancelled or compromised as well, but the PCCCD will also evaluate disability factors as well as other financial resources available to the student, including substantial prior assets accumulated by the DFS (some DFS will have managed to accumulate assets through good spending and saving habits; as opposed to DFS who have accumulated nothing because they have spent most of everything they've earned; a DFS who has lived frugally and saved a moderate amount shouldn't be punished for that); trust funds, intergenerational gifting resources, or spousal resources. (I include familial assets for consideration because it is no secret that in our current economic climate, familial "boosts" given to the young, or even the middle-aged – whether it is in the form of a job, a vehicle, a home down-payment, an inheritance, a board position, or a trust fund, can make a substantial difference in the donee's life and provide them a crucial "launch" to create much more of their own wealth, which accounts for a great deal of the income disparity we see in the country today. It is fair that

familial assets (to which the lower and middle class have much less access) should be considered in the calculation of a DFS' ability to repay the remaining percentage owed the DOE under my proposal.)

If the principal amount is between $75,000 and $99,999, then 92% of the loans will be cancelled; if the principal amount is between $100,000 and $124,999, then 88% of the loans will be cancelled; if the principal amount is between $125,000 and $149,999, then 85% of the loans will be cancelled; if the principal amount is between $150,000 and $174,999, then 82% of the loans will be cancelled, etc. (the same system as outlined above will be applied to the remaining percentage).

In addition to the familial and spousal assets noted in (5), above, the PCCCD will also consider medical records from both doctors trained in the particular medical specialty and by doctors in the naturopathic community, at the student's request. Many illnesses are either untreatable or not well-understood in the standard AMA parlance and practice. Yet many students are faced nonetheless with disability from these illnesses.

The PCCCD will also consider the realistic employment prospects for the student considering the job for which they trained and their time out of the work force, as well as their disabilities. These prospects should not be evaluated by highly functioning non-disabled professionals, but by low or mid-functioning disabled people themselves who are attempting to find work. How many doctor appointments do they usually attend per month? How much longer do things such as personal care and cooking take considering their disability?

PCCCD members would be able to recommend that the entire loan be cancelled, or propose their own loan reduction options. They could also propose "creative" options that might involve DFS making telephone calls to counsel the disabled in terms of doctor recommendations or employment or volunteer options. The system would be similar in intent to the present Americore program or the present student loan legislation that offers loan forgiveness for necessary work (i.e., teaching medicine) in targeted disadvantaged communities. In other words, the system would involve a consideration of individual circumstance, accountability to the United States and the community as a whole, and fairness.

There would be several levels of appeal from the PCCCD's decision. Expenses would be paid automatically for the first two levels of appeal. Beyond that (the 3rd and 4th level of appeal); expenses would be paid based on financial need.

There may be instances under this proposed system in which a DFS receives a substantial reduction on her loan balance and subsequently is able to earn a very good salary or receive a large amount of income through unearned means. Therefore, students receiving a reduction/cancellation would be followed for 3 years after the decision. There would be a threshold income -- including both earned and unearned income -- that could trigger a percentage "refund" to the DOE, the exact amount of which would be determined by the PCCCD. The threshold would be quite high so as to reduce bureaucracy and impact only clear cases where a refund is warranted. For instance, if students received $125,000 per year including both earned and non-earned income, the provisions could be triggered – but in any case the PCCCD would only be able to "recapture" a moderate percentage of the amount previously cancelled/compromised.

Will there be issues? Of course. Will there be some inequity here and there? Probably. But, this system is far superior to the system we have at present, which punishes poor and middle class DFS for the "crime" of needing dent loans to complete an education and then having the misfortune to becoming disabled.

This proposed system would have so many advantages! First, it would enable a new hope for many DFS, who have dropped "under the radar screen' unable to fully participate in American life at present because they have a terrible credit ratings, ongoing disability problems, no money, a snowballing debt they are never realistically going to be able to repay; and, therefore, no hope. The system I recommend is not punitive. It recognizes that students did not ask to become disabled. It recognizes that in our present United States, where downsizing is rampant, where employment security is a thing of the past, that several years out of the workforce due to disability makes it very difficult to rebound to a high enough level that one can realistically pay off one's loans, even if one could start working.

It proposes creative solutions that could at least see the DFS accomplishing service to the community in exchange for a loan cancellation/reduction, giving the DFS hope.

Hope is a huge spur to action. Without it, it is difficult for the most intrepid and assertive among us to find alternate remedies for intractable medical problems, even absent any disability, or to press on to be included in clinical trials or find doctors working in other areas of the country or the world engaged in research on one's specific illness. With hope, the disabled person will feel that the system is in their "corner," and they will be more likely to persevere and find treatment, if it is possible, for their disability. Eventually, they may be able to work again and thus become taxpayers.

Student loan debtors who have been disabled for a number of years will simply never be in a position, absent a lottery win, to make enough money to have a reasonable hope of paying off their loans. Congress probably did not intend to create student loan legislation so that millions of students could spend the most productive part of their lives chained down, not only by disability, but by the unrelenting psychological crush of an ever-spiralling snowball of debt. And all this simply because they attempted to educate themselves and thereby improve life for their families and for the country. A country will never thrive when its lower and middle class students are expected to mortgage their entire future in order to gain an education.

The entire system of student loan debt repayment needs to be overhauled to take account of present-day realities: the model of educational debt as entirely a personal responsibility is outdated; a stalled economy simply does not allow for repayment of what in many cases are astronomically high debt burdens. A "GI Bill" applied to the middle and lower class as a whole in exchange for real service to community will revitalize the middle class as it did over a half century ago. America cannot afford higher education to become a" privilege of the privileged" -- to the obvious detriment of the entire nation, which has attained its eminence in the world today due to a vigorous meritocracy.

In his recent Address to Congress, President Obama reaffirmed the necessity of more government emphasis and support for all students to pursue some amount of higher education.

Let us work to make student loan repayment legislation as equitable as it should be – especially for disabled students. Let's ensure that students can look forward to a better – not a financially dismal – future.

Thank you!

[redacted]

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Forbes Magazine article: http://www.forbes.com/forbes/2009/0202/060.html

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