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