

National Consumer Law Center Attorney Will Testify before U.S. Senate Committee on Financial Aid Simplification and Transparency on January 18

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Hearing on January 18, 2018, at 10am EDT, 430 Dirksen Senate Office Building, Washington, D.C. Joanna Darcus's testimony will be available later today or by 9am tomorrow morning: <http://bit.ly/2ER3VrD>

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Boston — National Consumer Law Center Attorney and Massachusetts Legal Assistance Corporation Racial Justice Fellow Joanna Darcus will testify on Thursday before the U.S. Senate Committee on Health, Education, Labor and Pensions on "Reauthorizing the Higher Education Act: Financial Aid Simplification and Transparency."

"Student success in school and borrower success in repayment depend on building a student aid system that allows students and borrowers to access the benefits and information they need to thrive," **said Joanna Darcus, an attorney with the National Consumer Law Center and Massachusetts Legal Assistance Corporation Racial Justice Fellow.** "Simplification and transparency can help, but at this crucial moment, we can also design a federal student aid system that maintains its integrity through real accountability."

Attorney Joanna Darcus will make the following key points during her testimony.

Make Higher Education a Reality for All

Pursuing higher education should increase opportunity, and not restrict access to necessities of life. Yet for far too many student loan borrowers, that is exactly the outcome that our federal student aid system produces. The system has failed these borrowers. We need to do better.

Navigating Loan Repayment

Borrowers need help navigating repayment, and unfortunately, due to the void left by inadequate servicing, a number are preyed upon by illegitimate debt relief operations that siphon funds from borrowers without leaving those borrowers better off or delivering the services they claimed they would provide. Borrowers should not need the help of an attorney to understand how to meet their repayment obligations. This is exactly the function that servicers should be performing before borrowers default. Unfortunately, the servicing companies and then the debt collection companies to which we pay billions of dollars each year are not adequately ensuring that borrowers are able to easily access the programs that could ensure their success.

Accountability

Our system of financing higher education through debt is deeply flawed if we only hold students

accountable for their degree of success in repayment. But that is exactly what is happening. In the experience of our clients, it is often the student or borrower who bears the brunt of the risk when an educational investment does not pay dividends of stable employment or decent wages. A fair system of financial aid would also hold the many institutions students interact with accountable for student outcomes, including borrower outcomes in repayment.

Supporting Borrower Success

The federal financial aid programs should be easy for students and borrowers to understand and navigate. All students and borrowers who need federal aid should have an appropriate option available to them. Simplifying the current aid system can help achieve this goal, but only if it is designed to accomplish twin objectives. First, it must serve everyone who needs access to it. Second, it must make extra efforts to ensure that people for whom federal aid is a critical pathway to educational opportunity receive all the benefits of the program.

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. NCLC's Student Loan Borrower Assistance Project provides information about student loan rights and responsibilities for borrowers and advocates. We also seek to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens, and make loan repayment more manageable.