

A RESOLUTION URGING THE PASSAGE OF FEDERAL STUDENT LOAN LEGISLATION

WHEREAS, 71% of American bachelor's degree recipients will graduate with a student loan¹; and

WHEREAS, 40 million students and former students owe \$1.2 trillion in federal loans, private loans notwithstanding and ²;

WHEREAS, Noting the expansive federal debt portfolio, student borrowers are limited to a mere \$31,000 *aggregate* federal loan, with a fixed interest rate and public oversight³; and

WHEREAS, The estimated *annual* cost for California residents to attend the University of California, Los Angeles, is between \$25,138 and \$33,898⁴; and

WHEREAS, this logically leads to many UCLA student borrowers turning to private, variable interest rate loans, administered by banks, to finance their education; and

WHEREAS, loans of the kind noted above are contingent on interest rates subject to countless unwieldy and unpredictable market forces, such that student borrowers are subject to increased risk of default, and are less prepared to adequately formulate a reliable loan repayment plan; and

WHEREAS, official data strongly suggests that, contrastingly, student borrowers with federal student loan debt are likely to repay that debt if they graduate with a degree, and subsequently bear an increased measure of employability and income⁵; and

WHEREAS, the Federal Perkins Loan program expired October 1, 2015, with no immediate replacement, leaving student aid policy gapingly incomplete, and putting thousands of former student borrowers in crisis⁶; and

¹ <http://blogs.wsj.com/economics/2015/05/08/congratulations-class-of-2015-youre-the-most-indebted-ever-for-now/>

² <http://www.nytimes.com/2015/09/11/upshot/new-data-gives-clearer-picture-of-student-debt.html>

³ <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#how-much>

⁴ <https://www.admissions.ucla.edu/prospect/budget.htm>

⁵ <http://www.brookings.edu/about/projects/bpea/papers/2015/looney-yannelis-student-loan-defaults>

⁶ <http://www.acainternational.org/governmentmarket-longest-standing-federal-student-loan-program-expires-37261.aspx>

WHEREAS, a student experiencing a budget shortfall as a consequence of the Perkins Loan sunset- notwithstanding additional private or scholarship grant money they may acquire, must fill their budgetary gap with private, variable rate bank loans of the kind and consequence described above, increasing their risk of default; and

WHEREAS, in all of the instances of default described above, a student cannot discharge their debt. Rather they must live in perpetual default, on account of current jurisprudence, with respect to 11 U.S. Code § 523 (a) (8), which codifies that a student loan borrower cannot file bankruptcy without proving that their debt imposes an “undue hardship” on the buyer⁷; and

WHEREAS, the sum of all of these factors has united the higher education community in agreement that current state of student aid policy, with respect to student loan debt, is a matter of national urgency and national concern,

THEREFORE LET IT BE RESOLVED, that the Undergraduate Students Association Council (USAC), calls on the federal government to reconsider aid policy with the same urgency and bipartisanship expressed by the nation it represents; and

LET IT BE RESOLVED, that the USAC supports the passage of H.R. 1713, a bill to introduce an innovative employer-backed student loan repayment program, as quickly as possible; and

LET IT BE RESOLVED, that the USAC advises more representatives, Republicans and Democrats both, to cosponsor H.R. 1713; and

LET IT BE RESOLVED, that the USAC supports the passage of S. 729, a bill to amend the bankruptcy code to allow individuals to file bankruptcy for their student loan debt, in the manner typically available to all other citizens, as quickly as possible; and

LET IT BE RESOLVED, that the USAC supports the passage of S. 793, a bill to allow students to refinance both federal and private loans, such that their rates reflect the current low-interest market, as quickly as possible; and

LET IT BE RESOLVED, that the USAC dedicate resources and energy to bringing about the passage of these bills, as well as the speedy replacement or renewal of the Federal Perkins Loan Program, and advocate on its students’ behalf to the federal government, such that it secures a safer, more affordable future for the UCLA students of the present and future.

⁷ <https://www.law.cornell.edu/uscode/text/11/523#.Vh7WrxNViko>

LET IT FINALLY BE RESOLVED, that the USAC urges students' associations across the nation to do the same.