



FINANCIAL LITERACY SOLUTIONS

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STUDENT LOAN REPAYMENT PAUSE SURVEY

INPUT FROM BORROWERS ON THE STUDENT LOAN SYSTEM,
FORGIVENESS OPTIONS, AND HOW THE COVID PAYMENT
PAUSE HAS AFFECTED THEIR LIVES

This survey provides
input from borrowers
on the federal student
loan program and needed
legislative reforms.



CHAMPIONS

COMPANIES

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EXECUTIVE SUMMARY

Student Loan Borrower Survey Yields Enlightening Suggestions to Solve Core Issues

Will the Supreme Court give Biden's loan forgiveness the green light?
Most student loan borrowers say that is not enough to fix the problems.

SURVEY PARTICIPANT #65 *I wish I'd known what a sham student loans were when I was a young, impressionable adult. My original debt amount has grown almost twice as large due to my inability to make enough income to live and pay down the debt. I should have never taken out loans, or been made to feel that it was a safe option. It's a yoke around my neck that I may never recover from.*

Since 1989, Champion has worked with student loan borrowers as an advisor to help them achieve successful repayment. During the COVID pause, Champion continued to work with borrowers and listened to their frustration with being in limbo and needing to know when to start payments. Borrowers wanted answers, and after calling the DOE and waiting up to three hours, they still received no guidance or clarity. Champion wanted to know what changed borrowers need and created a survey that asked just a few simple questions. Champion pledged to deliver feedback and suggestions from the participants on the student loan system, forgiveness options, and the impact of the payment pause on their lives to lawmakers to effect positive changes in student loan repayments.

The survey included six multiple-choice questions and one question with an optional essay for borrowers to provide suggestions. 63% of participants suggested changes to the student loan system. Borrowers said forgiveness is temporary relief and wouldn't correct the deeper issues with student loans or provide relief during post-COVID economic challenges. 47% were unsure if they can make payments when the pause ends, and 25% are not confident they could make student loan payments.

The ideas from participants were systemic solutions to create a user-friendly, fair system where loans could be repaid in a reasonable amount of time.

To accomplish this, survey participants offered six enlightening suggestions.

INTEREST RATES Offer consolidation and refinancing at lower interest rates. Provide future loans at lower or capped interest rates.

SIMPLE INTEREST Change the way interest is applied to student loans from compound interest to the simple interest method used for mortgages.

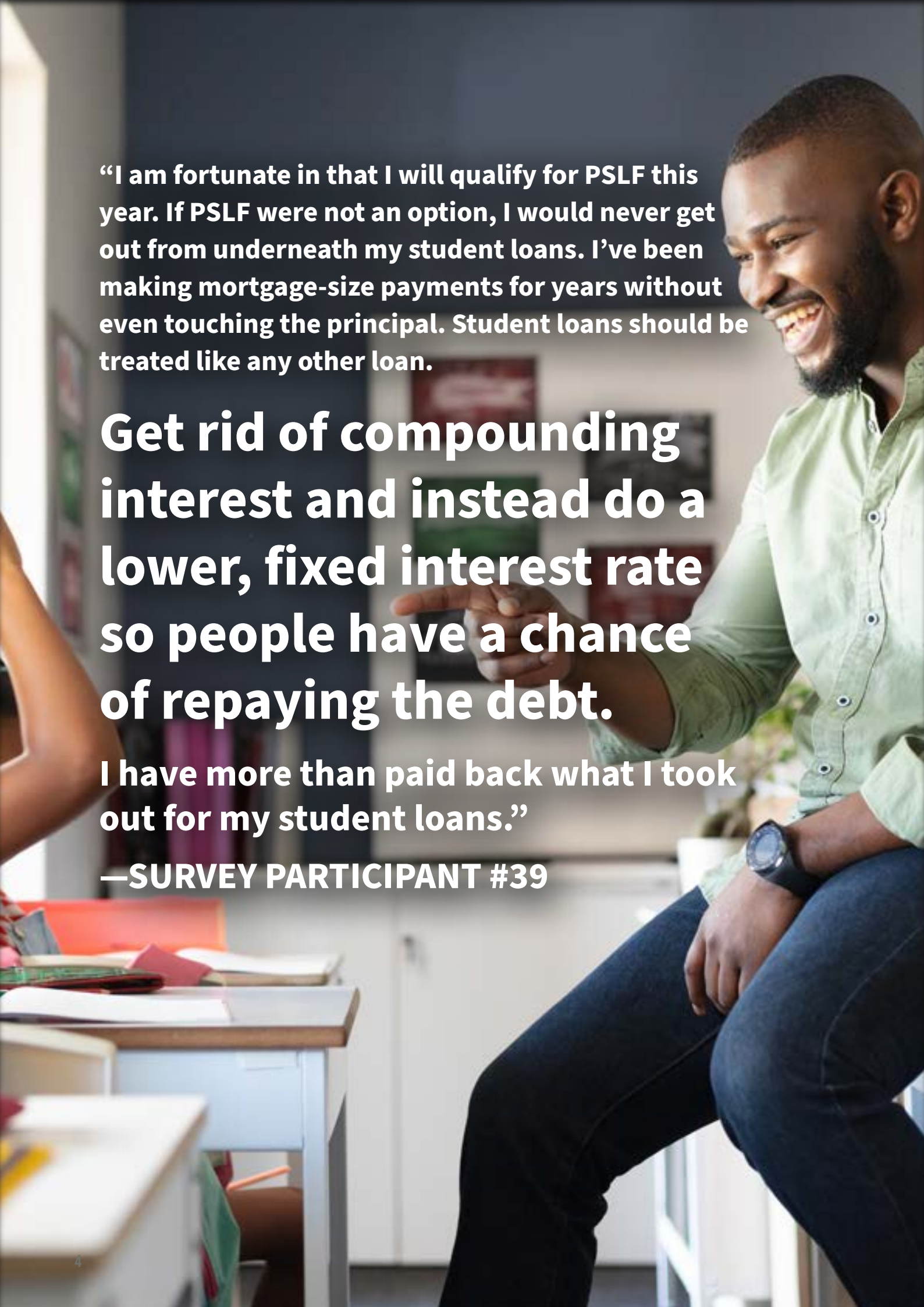
FINANCIAL LITERACY Provide comprehensive financial literacy education focused on managing student loan repayment. Require program completion before loans are approved.

LOWER EDUCATION COSTS Create low-cost alternatives that provide quality education or job training certifications. Regulate and control the cost of degrees.

TECHNOLOGY Create a financial aid app to schedule payments, apply for and manage loans, file paperwork or forms, and encourage actions that lead to faster loan payoff.

FORGIVENESS Restructure forgiveness programs to include community service and interest forgiveness. Simplify the process for qualified borrowers.

The survey shows that the student loan system is broken and has left borrowers feeling hopeless. Perhaps if lawmakers act on these suggestions, we can find a way to fund education using fair terms.



“I am fortunate in that I will qualify for PSLF this year. If PSLF were not an option, I would never get out from underneath my student loans. I’ve been making mortgage-size payments for years without even touching the principal. Student loans should be treated like any other loan.

Get rid of compounding interest and instead do a lower, fixed interest rate so people have a chance of repaying the debt.

I have more than paid back what I took out for my student loans.”

—SURVEY PARTICIPANT #39



WORDS FROM OUR CEO

May 18, 2023

Dear Colleagues,

This year I have met with several lawmakers about student loan issues who were focused on whether the Supreme Court will give Biden's loan forgiveness plan the green light. Some were for it, and some were against it. Debating the merits or perils of that program is not my focus; there are more significant issues to resolve.

Internally at Champion, we have continued to work with student loan borrowers during the COVID Pause. They have expressed frustration with being in limbo and want to know when to start payments. These borrowers want guidance, and when calling the DOE, they waited up to three hours and still didn't receive clarity.

Is there a discrepancy between what lawmakers plan and what borrowers need? That question inspired us to create the *Student Loan Repayment Pause Survey*. We asked six simple questions and received enlightening suggestions. **After reading the brief essays from borrowers, we understand that one-time loan forgiveness is not enough to fix the core issues.** Our payment plans drive borrowers deeper into debt. The interest rates charged on student loans are sharky. The cost of education is outrageous. And borrowers with little life experience are unable to make a sound decisions when signing for student loans.

We hope that providing this feedback will inspire lawmakers to take action that creates sustainable, meaningful changes to the student loan system. We need access to higher education funding, but being in debt to the federal government from the moment we leave high school to retirement is unacceptable.

Sincerely,

Mary Lyn Hammer
CEO Champions Companies



STUDENT LOAN SURVEY RESULTS

47%

of those surveyed were unsure if they can make payments when the COVID pause ends.

WHAT DO STUDENT LOAN BORROWERS WANT? IS IT LOAN FORGIVENESS, LOWER INTEREST, OR PAYMENT PLAN OPTIONS? **IN THIS SURVEY, WE FOUND BORROWERS HAD ENLIGHTENING SUGGESTIONS ON REVISING STUDENT LOANS.**

SURVEY BACKGROUND

- Survey was conducted online at [Champion Empowerment](#) from February 1st thru May 2nd, 2023.
- Champion pledged to deliver feedback and suggestions from the participants on the student loan system, forgiveness options, and the impact of the payment pause on their lives to Capitol Hill legislators to effect positive changes in student loan repayments.
- A total of 112 individuals, who were either current or former student loan borrowers, participated in this survey. These participants had previously responded to a survey by Champion Empowerment or were attending a school that contracted with Champion Col•EDGE Solutions.
- The survey included six multiple-choice questions, and one question with an optional 500-word essay for borrowers to provide feedback. 63% of participants suggested necessary changes to the student loan system through an essay response.

60%

OF SURVEY ESSAYS SAID THE STUDENT LOAN SOLUTION IS LOWER, CAPPED, OR ZERO INTEREST ON STUDENT LOANS.

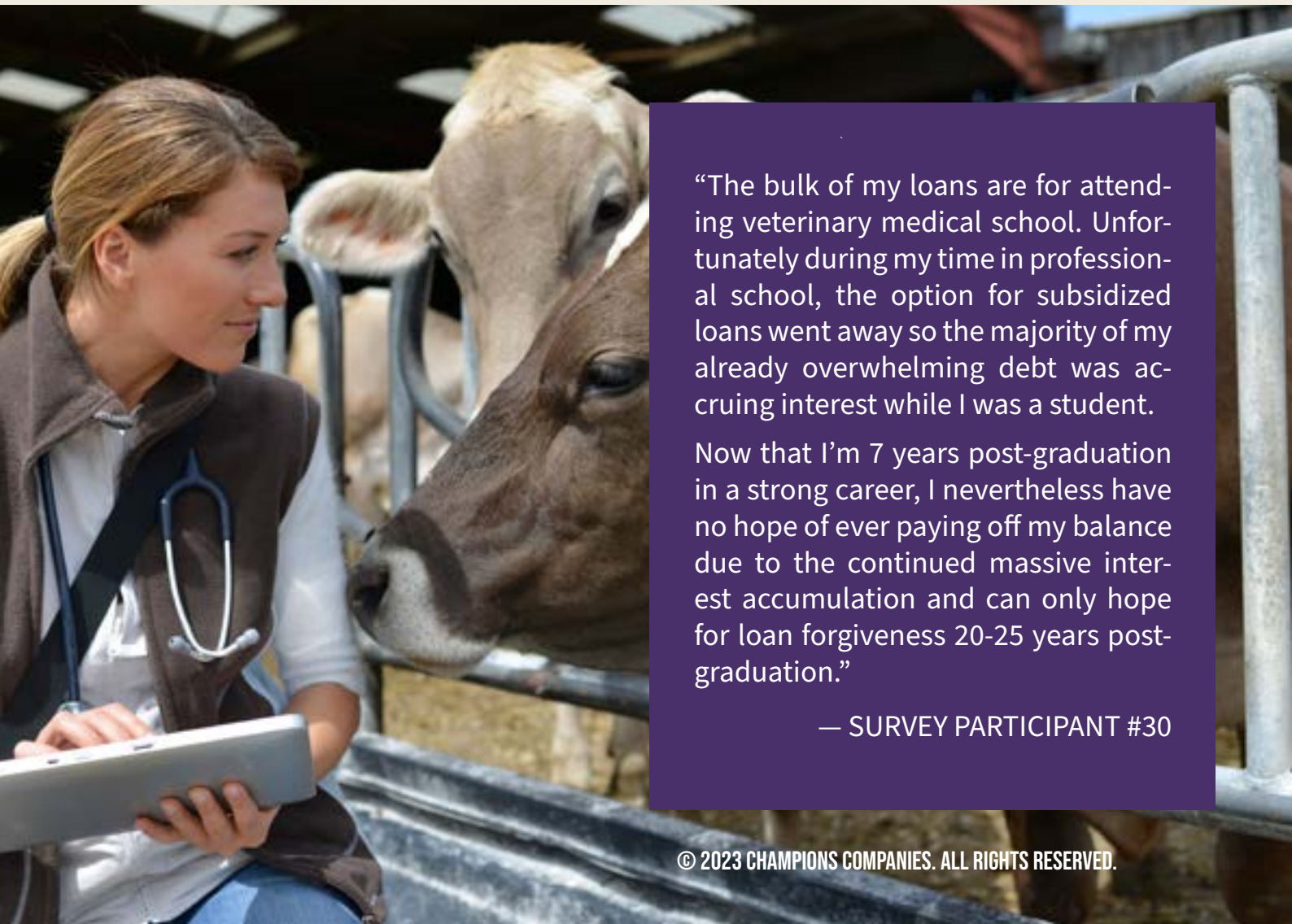
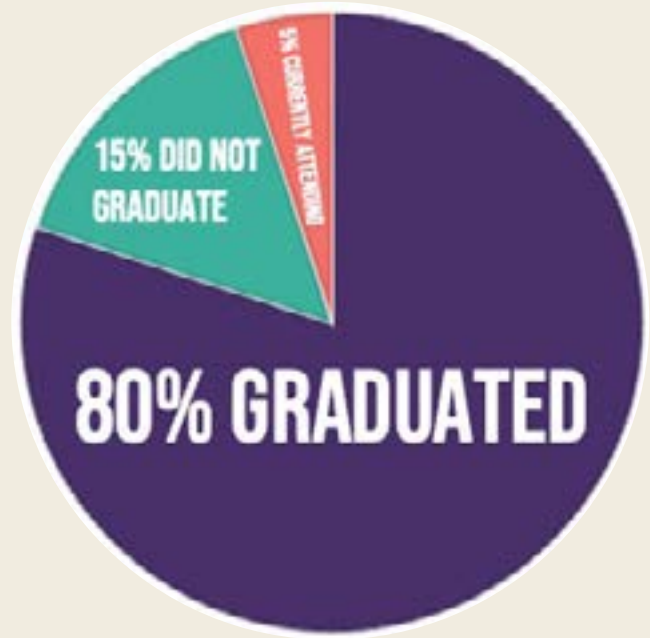
INTEREST RATES



UNIQUE DEMOGRAPHIC SAMPLING HIGHLY-EDUCATED, AND EXPERIENCED SURVEY PARTICIPANTS

The participants Champion surveyed have experienced educational success and obtaining then repaying student loans. According to [Research.com](https://www.research.com), around 40% of undergraduate students leave universities and colleges every year. Those Champion surveyed had a much lower dropout rate with only 15% not graduating.

This unique demographic sampling provided a rare opportunity to learn from those who had graduated and started to repay their student loans. The wisdom they shared comes from experience with the current system.



“The bulk of my loans are for attending veterinary medical school. Unfortunately during my time in professional school, the option for subsidized loans went away so the majority of my already overwhelming debt was accruing interest while I was a student.

Now that I’m 7 years post-graduation in a strong career, I nevertheless have no hope of ever paying off my balance due to the continued massive interest accumulation and can only hope for loan forgiveness 20-25 years post-graduation.”

— SURVEY PARTICIPANT #30

PANDEMIC ECONOMY AND THE AFTERMATH

HOW BORROWERS USED LOAN PAYMENT MONEY

With the historic economic decline, businesses failing, and unemployment skyrocketing, giving citizens economic relief during COVID was a great idea. Relief was intended to be for just a few months but has lasted years and has become a significant burden to the federal budget. The government profits from student loans. Funds from student loans go straight into the general fund. In January 2022, the [Wall Street Journal](#) wrote: “The pause in student-debt repayment has cost the federal government more than \$100 billion since the start of the pandemic and could cost \$4 billion to \$5 billion a month until the moratorium is lifted...” In January 2022, after 15 months paused, that equals an estimated \$6.7 billion monthly. Assuming those figures are accurate and payments resume in September 2023, the estimated cost is between \$208 to \$235 billion. Without a doubt, this epic relief program was very costly.

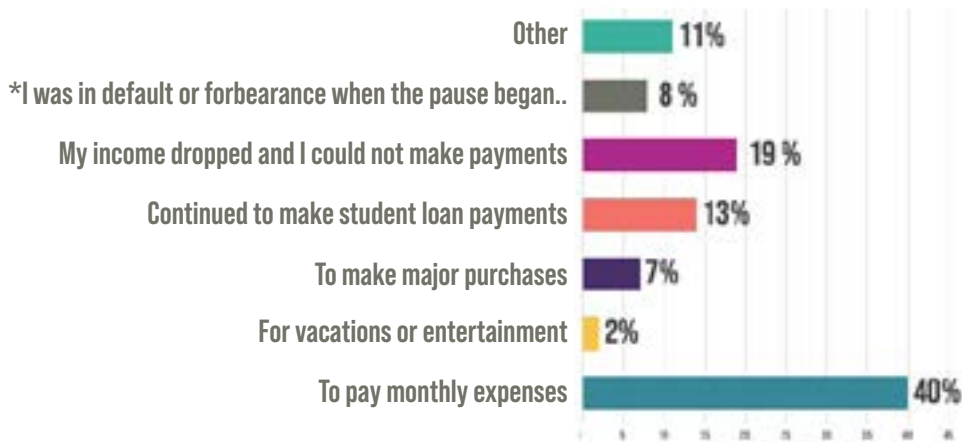
In even the worst of economies, some people win. Interestingly, 13% of our survey participants continued to make monthly payments while no interest was accruing, making unbelievable strides in paying off their student loans.

Some were frivolous, but only 2% reported using the money for vacations and entertainment. 7% used the money for upgrades with major purchases of homes and cars.

For 42 months, 40% used student loan payments to cover basic monthly expenses and those borrowers will be challenged to adjust their budgets. 19% of those surveyed reported a drop in income. With record inflation rates combined with lower income, how can these borrowers afford to pay their loans? Most borrowers can move into a different payment plan, but that only keeps them out of default, and they lose more because the lower payments put them at risk of falling into a deep money pit with minimum payments that do not cover the interest. In a few short months, borrowers in plans triggering negative amortization will owe more than they did pre-pandemic, so all that relief will vanish.

Is putting borrowers deeper into debt with lower payments the solution? Is loan forgiveness the solution? These borrowers said lower payments or a one-time loan forgiveness won't fix the main issues with student loans.

DURING THE THREE-YEAR STUDENT LOAN REPAYMENT PAUSE, I USED MY STUDENT LOAN PAYMENT MONEY:
(check at least one or multiple boxes)



*Full answer: I was in default or forbearance when the pause began, and it made no difference to my monthly expenses

BORROWER CONFIDENCE

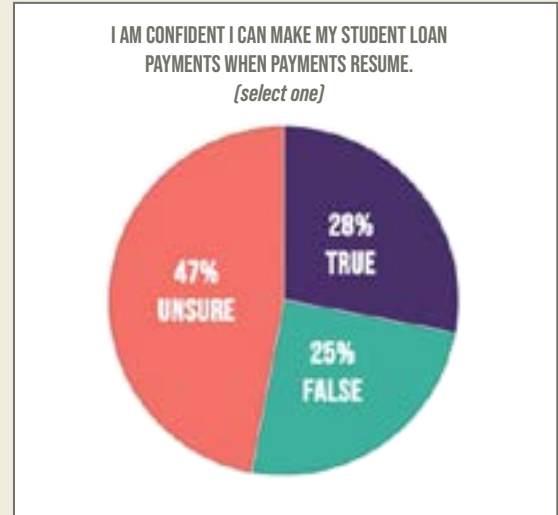
47% ARE UNSURE IF THEY CAN MAKE THE PAYMENTS

Before the COVID pause political pundits, reporters, politicians, and industry professionals have debated the merits and perils of student loan forgiveness. More than three years into the pause, reality is hitting borrowers. Whether or not forgiveness passes, most won't have their entire debt erased and are more concerned with how to pay their bills in terrible economic conditions. 47% are unsure if they can make payments. Only 28% are certain they can make the payments. The forthcoming tsunami of high default rates on student loans will devastate the emotional and financial wellbeing of these borrowers and their families.

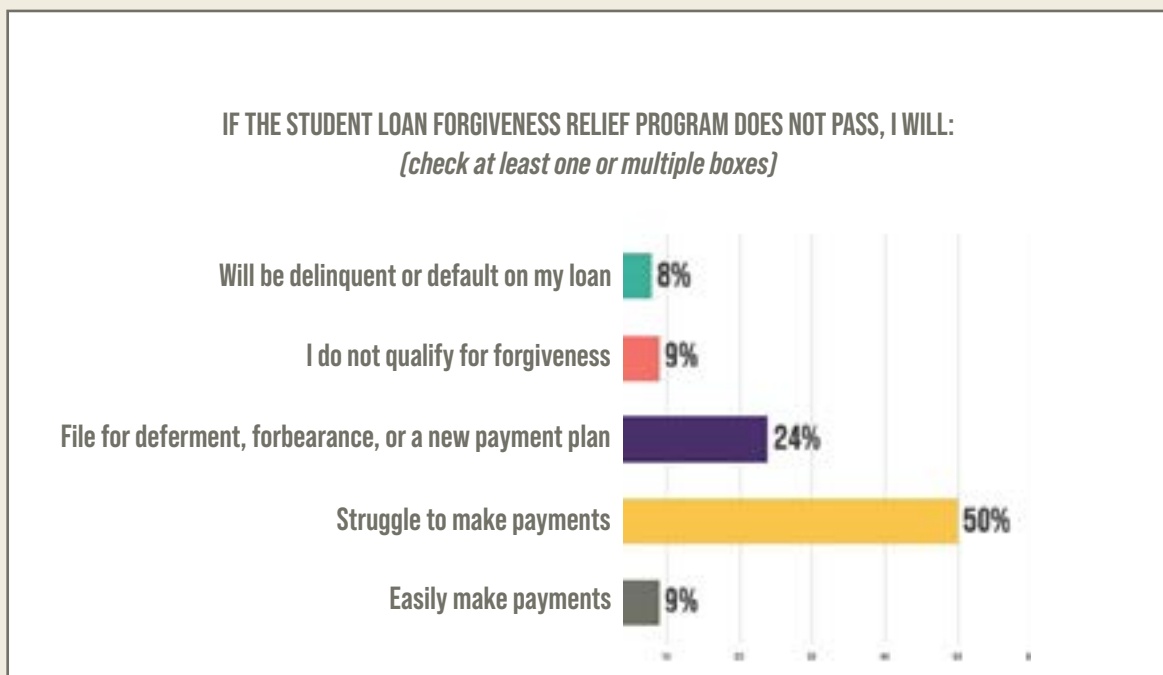
28% of the essay responses said they want loan forgiveness. We also asked, "If forgiveness does not pass how will that affect you?" The answers are:

- 9% say making payments would be easy.
- 50% will struggle to make payments.

Startingly, 24% will file for deferment, forbearance, or a repayment plan that will likely increase the principal balance owed on loans. To avoid financial disaster, they urge lawmakers to look for sustainable solutions.



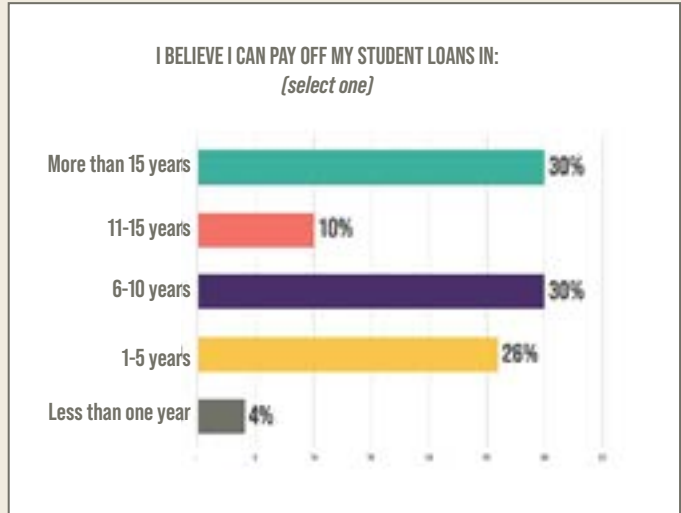
“I would like for the focus to be higher upon reducing the cost of education and creating more fair terms for students taking out loans, rather than dumping money toward repayment and not fixing the actual problem.”— SURVEY PARTICIPANT #34



STUDENT LOAN PAY OFF HOW LONG WILL IT TAKE?

Beyond loan forgiveness was the question of how long it will take to pay off the loan. 30% of the borrowers surveyed said it would take over 15 years. Repeatedly borrowers said the most significant issue that affects their ability to pay off the loans in a reasonable amount of time was compounding interest. The participants expressed heartfelt frustration with how little progress they had made paying down their loans and were shocked by how quickly the interest compounds when making the minimum payment. They felt taken advantage of by the student loan system, that student loans were predatory, and they were too young to make the life-altering decision to take out large loans.

The solutions to faster loan payoff many borrowers suggested were more financial literacy resources, that the interest on student loans should be treated like mortgages, or to do fixed-interest rates and zero-interest loans.



“I’m 100% for people fulfilling their word. Marriage, job, anything. Honor your promise. But student loans are predatory. **When an 18-year-old, who can’t even legally drink, can sign for \$100k in loans, they are prisoners for life. It’s criminal.** I’ve never missed a payment in 18 years, enrolled in every repayment program advised, and at 40 years old, still owe \$28k out of \$79.2k after my college PROMISED I’d get a great job. I did not. And I don’t even qualify for forgiveness, thanks to FFEL.”

— SURVEY PARTICIPANT #56

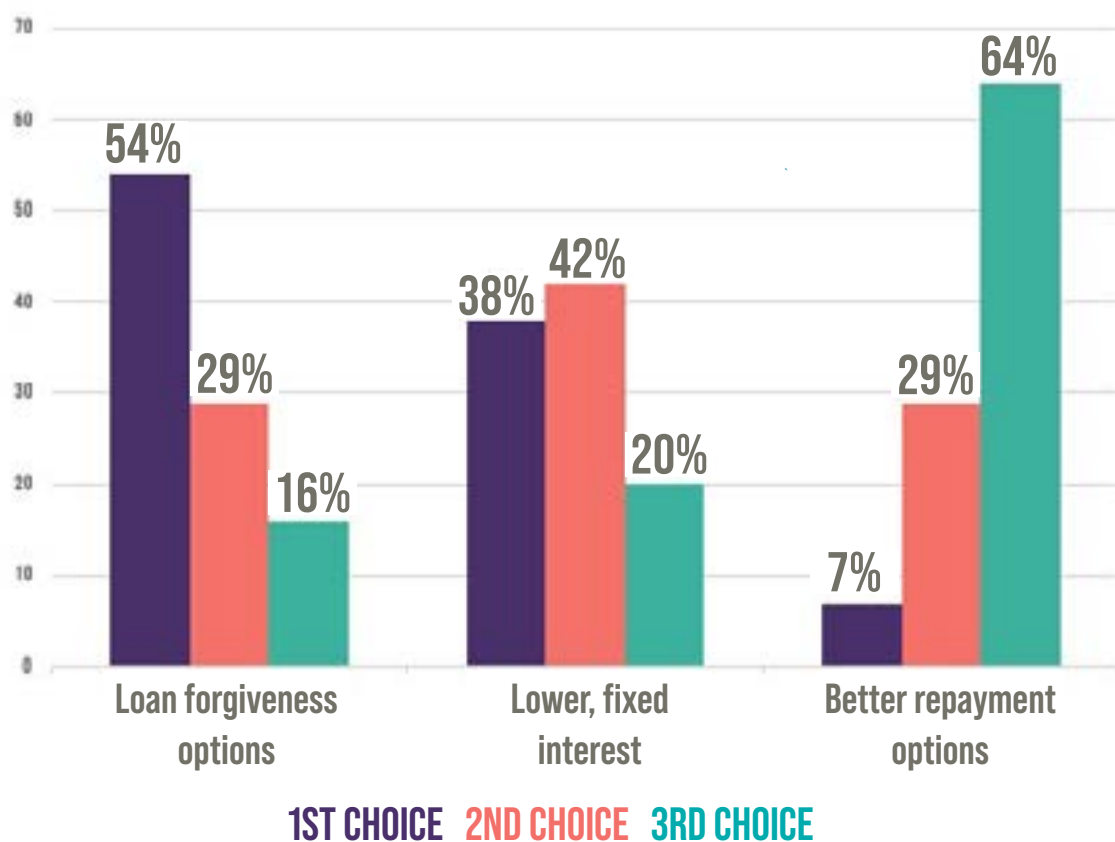


THE TWO REMEDIES THE BIDEN ADMINISTRATION HAS FOR BORROWERS ARE LOAN FORGIVENESS AND DIFFERENT REPAYMENT OPTIONS.

With our survey we wanted to know:

- What do borrowers want?
- Are the proposed changes enough to solve their issues?
- Do we need a broader restructuring of the student loan program?

LAWMAKERS ARE CONSIDERING ADDITIONAL CHANGES TO THE STUDENT LOAN REPAYMENT STRUCTURE. RANK THE FOLLOWING THREE ITEMS (1-3) IN ORDER OF IMPORTANCE TO YOU.



CHANGES TO THE STUDENT LOAN STRUCTURE (CONTINUED)

#1 LOAN FORGIVENESS OPTIONS

The borrowers surveyed DO want loan forgiveness; 61% ranked it as number one, and 28% of the essays said they wanted the forgiveness to proceed. Only 7% of the essay responses were against forgiveness.

The essays gave significant input on what types of forgiveness borrowers want. Borrowers expressed frustration with the proposed forgiveness program only helping some borrowers and not solving the core issues. They gave helpful suggestions including additional action-based forgiveness programs, restructuring PSLF, and wanted forgiveness to apply to private and PLUS loans.

“I hope the student debt relief program does pass, but if not, I would love to see interest rates for student loans get lowered. Before COVID hit, my interest for my student loans was high, that is why I was struggling to make my monthly payments.”

— SURVEY PARTICIPANT #28

#2 LOWER, FIXED INTEREST

Changes to interest are not option under consideration federally but was included because, in previous surveys, we found that borrowers consistently stated interest was a major issue. 43% ranked lower, fixed interest as the number one thing they want changed.

In the essays, 60% said interest rates and compounding were problems. Borrowers suggested interest forgiveness, zero-interest loans, lowering interest rates, or applying simple interest using the same methodology as mortgages or car loans. Several said the interest rates charged on student loans were criminal.

“Forgiveness is ineffective. Are you going to reforgive every year? Make low fixed interest rates or create a program like an HSA to pay student loan payments with pre-tax money. This program alone would save my wife and I about 700 dollars a month. If done correctly, this will inject massive amounts of capital into the economy.”

—SURVEY PARTICIPANT # 94

#3 BETTER REPAYMENT OPTIONS

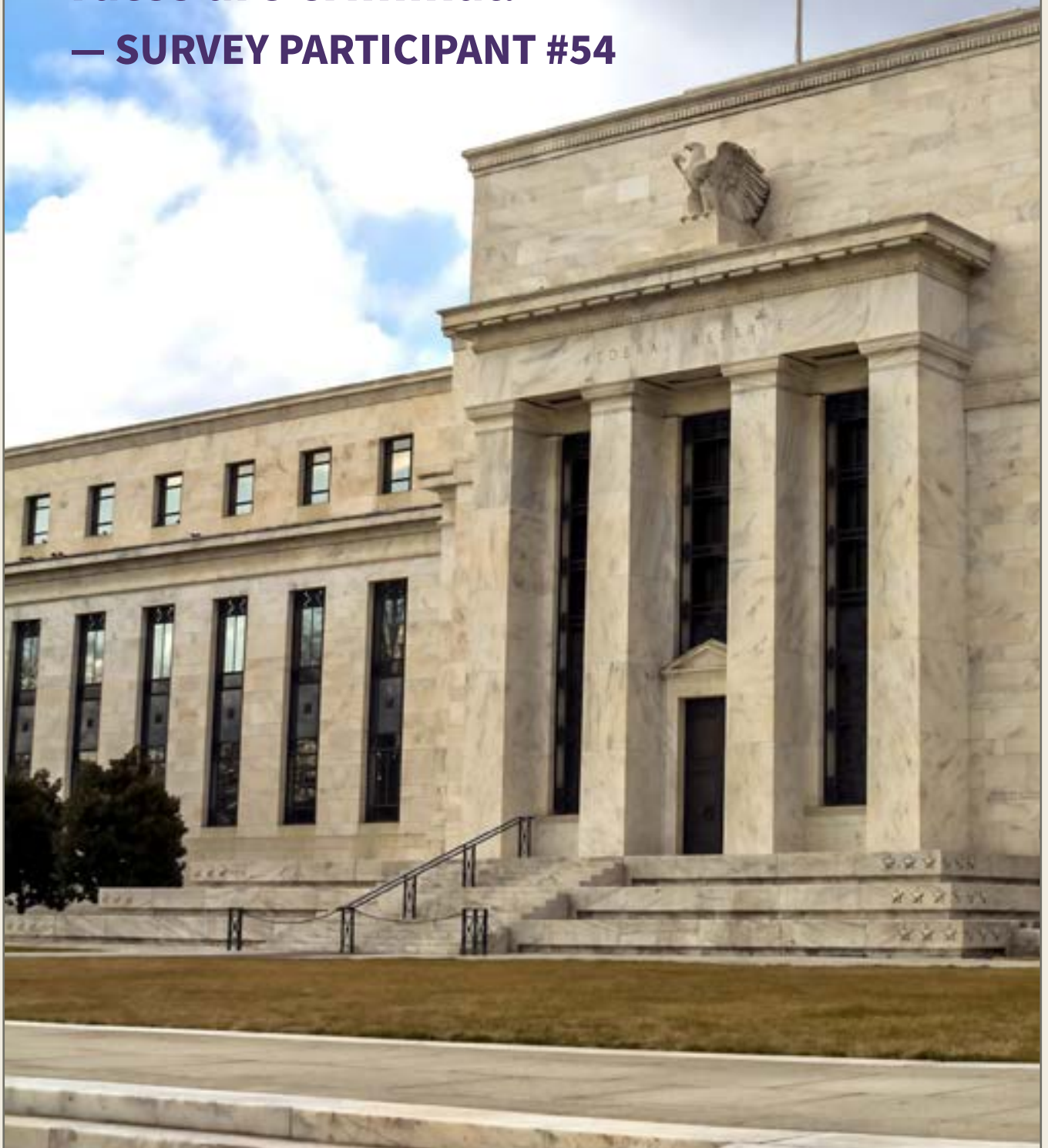
Repayment options were NOT the highest priority. Only 7% ranked better repayment options as number one, and 64% ranked it as number three, which made this the least popular solution. With 50% of survey participants reporting they will struggle to make payments, the problem could worsen because many income-based repayment plans, forbearances, and deferments may inflate the loan principal balance, which can cause the borrower to owe more money.

“My loan balance has ballooned, and I owe more than I initially borrowed after 10 years on an income-driven repayment plan. I have no confidence I will be able to pay back these loans without some changes to forgiveness options, interest charges, or both. It is a burden I could carry into my retirement. Please help address these issues!”

— SURVEY PARTICIPANT #82

**“I’ve been paying my
\$160,000 in loans for 9
years and still owe over
\$130,000. The interest
rates are criminal.”**

— SURVEY PARTICIPANT #54



STUDENT LOAN ESSAY RESPONSES

LEARNING FROM THOSE IN THE SYSTEM

An optional essay question asked participants to share their thoughts with lawmakers about the student loan program and give suggestions for improvement and 63% responded. Participants expressed frustration with student loans, feeling overwhelmed by not making good progress toward paying the principal, and wished they had received better financial training before taking out the loans. Some said it was criminal to allow an 18-year-old to sign for a 100k loan because it is impossible at that age to understand the lifelong ramifications for paying off such an enormous amount. They also said the interest rates are criminal and had no hope of ever paying the loans off.

ESSAYS CATEGORIZED

60%

INTEREST RATES

60% need lower, capped or zero interest on student loans

7%

COST OF EDUCATION

7% believe degrees should be free, or wanted reduced-cost education

28%

LOAN FORGIVENESS

28% want the one-time loan forgiveness to pass

20%

REPAYMENT OR ECONOMIC

13% want consolidation options, better repayment, or fixed repayment plans
7% said that because the economy is bad and they are struggling to make payments

22%

FINANCIAL LITERACY

22% need better financial counseling before taking out loans or said student loans are predatory

To provide a better understanding of what borrowers want or need, we include 35 detailed responses from survey participants on the following pages.

STUDENT LOAN ESSAY RESPONSES

A SAMPLING (CONTINUED)

SURVEY PARTICIPANT #5 I would like for the student loan program to pass, but if it does not It would be nice if the interest rates could get lowered.

SURVEY PARTICIPANT #8 I am hoping they do pass the student debt relief program because the economy stinks! Plus, I have other expenses to pay such as rent, car note, utilities, etc...I just went back to FT for my job since COVID.

SURVEY PARTICIPANT #16 A mobile application would be nice to have for borrowers to get and see access to student loan account information. If the student loan relief program does not pass, it would be nice if they lowered the interest rate on them.

SURVEY PARTICIPANT #20 We need to restructure the PSLF program. 10 years is too long to work in non-profits that we all know are typically underpaid and continue to work poverty wages in order for the hopes of having our loans forgiven. The amount of time to serve in that program to see debt forgiveness should be cut in half from 10 to 5 years. 5 years is still substantial time to serve a community but also allows me to leave non-profit work in search of a better paying job, which is needed in this economy.

SURVEY PARTICIPANT #21 I do believe that if the student loan interest were lowered, it would have been easier to make payments. The interest it was kills you!

SURVEY PARTICIPANT #23 If the student debt relief program does not pass, I think it would be nice if they could lower the interest rates on student loans. Before Covid hit the interest rates were killing me.

SURVEY PARTICIPANT #24 There should be loan forgiveness available for community service. The maximum monthly payment should not exceed 5% of the payee's monthly income (after taxes).

SURVEY PARTICIPANT #25 If they could make it a lot easier for those who don't have income or can't find a job for what they went to school for. Student loan interest rates are a joke, too high! Even with the payment extension pause I still struggled with 0% interest on my student loan because I lost my job. I may or may not be able to pay on my loans if it goes back into repayment because of the economy.

SURVEY PARTICIPANT #29 The program should prioritize forgiveness for individuals who are facing the greatest financial hardship and should be available equally to both federal or private loans. The program should also include debt relief for those who have already paid off their student loans. Finally, the program should include comprehensive financial education for borrowers to prevent future student loan crises. Teenagers are being shackled to a modern mortgage, and it is wholly unsustainable.

SURVEY PARTICIPANT #37 Student loans are a predatory system that is unsustainable. The government not private lenders should it be making money off of loans. Pass laws that cap low interest rates.

SURVEY PARTICIPANT #40 Advanced degrees have little assist. In order to do my job as a pediatric occupational therapist, I must have a master's degree. My only options for repayment only lower my payment. Due to daily interest accruing, I've paid half my loan amount to date in interest only. Loans need to be amortized and set so interest no longer accrues. Why not apply monies already paid to date toward the principal amount owed? This would wipe out many loans and for me, make my payments more manageable.

STUDENT LOAN ESSAY RESPONSES A SAMPLING (CONTINUED)

SURVEY PARTICIPANT #42 Student loans are predatory in nature. Most Americans can't attend college without them, yet tuition is sky high and heavily unregulated. No one should be saddled with thousands of dollars in debt to get a bachelor's degree, which in today's world is almost considered a high school diploma. They should be forgiven in their entirety, and we start from scratch with a better way to pay for education.

SURVEY PARTICIPANT #47 Got a master's degree that ultimately did not help me secure a position in that field. In fact, I know many who graduated from that program who never got jobs or work in that field & ended up in other industries. So, ultimately, I'm paying for a degree that did not help me professionally. High interest rates and compounding interest are the most harmful facets of the student loan repayment experience.

SURVEY PARTICIPANT #48 When schools are suggesting loans they should be straight forward about repayment and interest. They tend to make it sound as though once you graduate you will be able to make these payments with no issues. They don't tell you all of the loans are different and that you will be making multiple payments. They are not clear on the interest and that these companies will change how much you will pay monthly. For example, I just had a company decrease my payment so it wouldn't pay off sooner.

SURVEY PARTICIPANT #49 Please don't forget PLUS loans, parents are struggling too.

SURVEY PARTICIPANT #53 Biden made a big promise to get voted president. He should keep it.

SURVEY PARTICIPANT #60 How about allowing us all to refinance our student loans at a lower interest rate? I have over \$200k of loans and I'm not eligible for loan forgiveness even if the ruling is upheld by the Supreme Court, which I don't think it's very fair, considering the loans I had taken out before I hit the income levels and have been working to pay these off since and no, I'm not a doctor or a lawyer.

SURVEY PARTICIPANT #61 I can't even tell you how much it hurts to go to school, do the work, have zero support, and also be in a world where it's practically required to have a degree and gain respect in the world and then be battered down time and again by finance issues because of a decision made when I wasn't old enough to drink. Now my life is on pause indefinitely because I can't afford to live. Can't afford kids and can't afford to learn in a classroom. There are better opportunities in the so-called third world.

SURVEY PARTICIPANT #63 I was under the Public Service Loan Forgiveness plan, and I think it is a great opportunity for us to give back to the government, especially with the high turnover in the workforce now. However, I think 10 years or 120 qualifying payments was way too long. Although I graduated with my bachelor's degree, I did not celebrate my accomplishment because I knew, I didn't own my diploma until my student loan was either forgiven or paid off. Therefore, I kept my diploma tucked away in a box.

SURVEY PARTICIPANT #64 Lower and fixed interest rates would be a better solution than partial forgiveness since it would affect more borrowers over time. We need a complete overhaul of the student loan process rather than a band aid approach of one-time forgiveness.

SURVEY PARTICIPANT #66 The amount of interest I've accrued over the years makes it almost impossible to get out of debt. I'm on an income-based repayment and it's still hard. If they took away all the interest that has accrued that "might" help. But it's impossible as it is right now.

STUDENT LOAN ESSAY RESPONSES

A SAMPLING (CONTINUED)

SURVEY PARTICIPANT #68 There are very minor changes to the loan program that are quite simple but would help fix the problem of student loans. First, decrease the interest rate. Second, change the rate at which interest is charged, it's not the loan but the interest that is the problem. Banks make car loans that compound monthly, there's zero reason the same thing can't happen for student loans. Lastly, remove the \$75,000 limit for the tax deduction for student loans.

SURVEY PARTICIPANT #69 I have over \$100,000 in student loans, I also make more money now which means my payments will increase once they come off hold. I don't see an end in sight. Personally, I have paid what I originally owed but the interest from the years I had to defer kept stacking on. I'd like to see an option where we could get the interest forgiven if we have paid back the loan but still owe double what we borrowed! I graduated when interest rates were 10% and the economy was going to crap.

SURVEY PARTICIPANT #70 When basing a repayment program on income, other expenses are not taken into account - basic housing cost, food, gas, standard things - not extravagances - if there was a way to adjust the income used to perform the income-based repayment plan, it would be easier to make the payments and a more fair assessment of what I can pay. If I only pay back student debt, then I forfeit my rent etc. An MBA does not guarantee a commensurate income to the school expense.

SURVEY PARTICIPANT #72 If student loan forgiveness does not pass, I think a great alternative would be to forgive the amount of capitalized interest that has accrued during the entire life of the loan. Interest rates are so high that forgiveness of capitalized interest would make a sizable dent in many people's loans. And, interest money isn't what was actually borrowed in the first place.

SURVEY PARTICIPANT #73 The student loan programs continue to be a mystery for many unsophisticated students. Language, terms, and processes should be thoroughly explained even before someone leaves high school.

SURVEY PARTICIPANT #74 Instead of loan forgiveness, we should have interest payments made over the years reallocated to the principal balance. The loans many of us entered into were predatory, with high capitalized interest rates. This would correct the imbalance created in big banks' favor and allow people that have been paying for over 10 years with little to no change in their principal balance to have their payments matter.

SURVEY PARTICIPANT #75 I paid off my student loan before the loan reform debate. I do not understand the problem. Students agreed to the loan terms and took the money knowing they would have to pay it back. Now they have to pay it back. People have said that they keep paying only on their interest and not on the principal. That's too bad. But even an additional payment of \$5 will cut down in interest building up over the lifetime of the loan. Educate people on how interest works so they can pay back what they took.

SURVEY PARTICIPANT #76 Some relief should be given to student loan holders. The system of borrowing student loans and compounding interest is predatory. If businesses can get bailouts and free money for COVID, then the everyday person should be able to catch a break as well. We help stimulate the economy too and pay taxes.

SURVEY PARTICIPANT #78 Have post-secondary education have zero cost to students at state colleges, universities and trade schools. Other countries do it, we could put taxes to good use.

STUDENT LOAN ESSAY RESPONSES A SAMPLING (CONTINUED)

SURVEY PARTICIPANT #82 Following federal advice, many borrowers consolidated their loans in order to qualify for forgiveness, resulting in the loss of years of payment history and reduced credit scores. This is real demonstrable harm caused by the blocks currently being reviewed by the Supreme Court. I had over 15 years of payment history erased... for nothing.

SURVEY PARTICIPANT #83 The bulk of our payments should go to the principal and not interest. Capitalized interest for deferment or forbearance should be illegal as it's the primary reason people cannot afford the payment. IDR needs to consider post-tax income as pre-tax does skew the numbers with taxes being out of control. Fraudulent schools need to lose accreditation. Oversight on the servicers as they direct borrowers to deferment or forbearance, which in turn causes capitalized interest (see above). I can go on.

SURVEY PARTICIPANT #86 My number one suggestion to improve the system is low, fixed-rate loans with non-predatory lenders. It would also be helpful to allow for forgiveness for healthcare workers in for-profit companies.

SURVEY PARTICIPANT #91 My loans have been a drain on me for a decade and have caused financial harm, strain, destroyed a marriage, and caused much stress. I've managed to make my payments by working multiple jobs to repay my debt and believe others can too. This shouldn't be a handout, I don't even believe there should be forgiveness, just a cap on interest earned. Everyone agrees to take these loans and should be held responsible. Pushing this off is causing "inflation" in the market with extra money people can use.

SURVEY PARTICIPANT #105 I already paid off my student loan. Any form of loan forgiveness program is functionally money out of my pocket. I refuse to pay for someone less financially responsible than me to make poor decisions. If you take out a loan, you should pay it back. I'd entertain lowering interest rates because the loans are predatory. However outright "forgiveness" is just laundering tax dollars.

CONCLUSION

SIX ENLIGHTENING SUGGESTIONS FROM BORROWERS



Is one-time forgiveness enough to fix long-term problems with student loans?

Borrowers said forgiveness is temporary relief and wouldn't correct the deeper issues with student loans or provide relief during our current post-COVID economic challenges. The ideas from participants were systemic solutions to create a user-friendly, fair system where loans could be repaid in a reasonable amount of time. To accomplish this, they offered six enlightening suggestions.



INTEREST RATES

Consolidation and refinancing at lower interest rates should be offered. Provide future loans at a much lower or capped interest rates.



SIMPLE INTEREST

Change the way interest is applied to student loans from compound interest to the simple interest method used for mortgages.



FINANCIAL LITERACY

Provide comprehensive financial literacy education focused on managing student loan repayment before loans are approved.



LOWER EDUCATION COSTS

Create low cost alternatives that provide quality education or job training certifications. Regulate prices charged for degrees.



TECHNOLOGY

Create a financial aid app to schedule payments, apply for or manage loans, file paperwork or forms and encourage actions that lead to faster loan payoff.



FORGIVENESS

Restructure forgiveness program to include community service, interest forgiveness and to simplify process for qualified borrowers.

LAWMAKERS, PLEASE ACT ON THESE SUGGESTIONS!

Now that we have excellent input from student loan borrowers, we ask that you please take action and implement changes to the system that fund education and give borrowers a fair chance to repay their loans in a reasonable amount of time!



FINANCIAL LITERACY SOLUTIONS

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