

STATEMENT OF LAUREN ASHER
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Statement on New Steps by Obama Administration to Help Student Borrowers

Today the Obama Administration announced important and timely new steps to help struggling student loan borrowers. We applaud the Administration's steps to make more federal loan borrowers aware of Income-Based Repayment and to provide additional repayment relief for up to 1.6 million current students, including a lower monthly payment cap and loan forgiveness after 20 rather than 25 years of responsible payments.

IBR has already helped nearly half a million borrowers lower their payments and avoid default, but many more borrowers are struggling to keep up with their payments in these tough economic times and could benefit from IBR and the proposed Pay-as-You-Earn option.

By encouraging more borrowers to convert their bank-based federal student loans to more cost-effective Direct Loans, the changes announced today will also help more people qualify for Public Service Loan Forgiveness. Those working for a public or nonprofit employer could see their remaining debt forgiven after just 10 years of payments. Borrowers with bank-based federal loans must already convert them to Direct Loans for their payments to qualify for Public Service Loan Forgiveness.

The Administration took two additional steps to help students and families decide where to go to college and how to pay for it. The new [model financial aid disclosure form](#), or draft "shopping sheet," is designed to make it easier to compare the real cost of different college options. The new [Student Debt Repayment Assistant](#) will help current borrowers with both federal and private student loans, as well as those about to enter repayment, better understand their options.

With these changes on the way, it's more important than ever to make sure that the millions of borrowers who could benefit from IBR know it's out there. With the class of 2011 about to face their first student loan payments, there's no time to waste.

IBR has been available to borrowers since July 2009. For more about how IBR and Public Service Loan Forgiveness work and how to apply, see our consumer website: www.IBRinfo.org.

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NOTE: The Institute for College Access & Success (TICAS) and its Project on Student Debt developed the [policy proposal](#) that formed the basis of IBR, which recommended forgiveness after 20 years of payments.