

May 25, 2011

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