

April 21, 2010

The Honorable Steve Cohen
Chairman, Subcommittee on Commercial and Administrative Law
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Cohen:

On behalf of the undersigned organizations, we are writing to express our strong support for the *Private Student Loan Bankruptcy Fairness Act of 2010*.

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.

The *Private Student Loan Bankruptcy Fairness Act of 2010* 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, and institutions of higher education, and 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*
Campus Progress Action
Consumer Action
Consumer Federation of America
Consumer Watchdog
Consumers Union
Dēmos: A Network for Ideas & Action
Empire Justice Center
The Greenlining Institute
The Institute for College Access & Success and its Project on Student Debt
National Association for Equal Opportunity in Higher Education
National Association of College Admission Counseling
National Association of Consumer Bankruptcy Attorneys
National Association of Student Financial Aid Administrators
National Center for Public Policy and Higher Education
National Consumer Law Center (on behalf of its low income clients)
National Consumers League
National Council of La Raza
Rock the Vote
U.S. Public Interest Research Group
UNCF
United States Student Association

* A large number of organizations are working together to advance Americans for Financial Reform's (AFR) common interest in an accountable, transparent and secure financial system, and to accomplish our shared policy goals. Because the organizations involved and the issues addressed are diverse, not every organization works on or has a policy position on every specific issue. We are unanimous in our call for change to repair our nation's broken financial system, establish integrity in the financial markets, and facilitate productive economic activity that benefits all segments of our communities.