



MAKE COLLEGE AFFORDABLE **...By Reforming Federal Higher Education Programs**

In previous generations, Congress made strong commitments to supporting higher education.

Congress needs to reform the federal higher education programs to put students first by:

- **Investing in Pell grants.** Pell grants are the gateway to college for low-income Americans, but today they cover only a third of the costs of attending a public university.¹ We must increase our investment in the Pell program, make it mandatory to insulate it from annual budget fights, and allow its grants to support students attending summer courses.
- **Simplifying the application for financial aid.** Better allocation of federal aid doesn't mean anything if students don't apply for it. In Massachusetts, nearly 30 percent of students who attend public colleges do not even fill out the Free Application for Federal Student Aid (FAFSA) causing them to lose out on valuable assistance.² The form should be simple – limited to the fewest questions necessary to make eligibility determinations. And timing should be shifted so borrowers can determine eligibility while there's still time to consider other options.
- **Eliminating profits from federal student loans.** The student loan program has been stripped of key consumer protections and saddled with inflated interest rates that reap big profits for the government.³ Congress must change the rules of the student loan program so that it works to increase affordability, not boost revenues for the government.
- **Creating a “Public Service Pays” programs.** Loan forgiveness for students who dedicate their lives to public service is long delayed.⁴ Offering a “public service pays” program that provides year-by-year loan forgiveness in exchange for public service will let students cut their debt burdens and make college more affordable. Like the GI bill, it will improve our whole nation as well.
- **Allowing students to discharge debt in case of bankruptcy or fraud.** Students deserve better protection when they have fall off a financial cliff or discover that their schools committed fraud. The Department of Education should exercise its authority to ensure that borrowers whose schools broke the law can discharge their debts. And Congress should ensure that borrowers going through bankruptcy are able to discharge debts.⁵

¹ The Institute of College Access & Success, “Impact of House and Senate Budget Proposals to Freeze the Maximum Pell Grant for 10 Years: Making College Even Less Affordable,” 3/19/15 <http://ticas.org/blog/impact-house-and-senate-budget-proposals-freeze-maximum-pell-grant-10-years-making-college-even>

² Massachusetts Department of Higher Education, “DHE Hosts “College Goal Sunday” Kickoff, Urges Students and Families to Seek Help with Financial Aid Forms,” 1/21/14 <http://www.mass.edu/about/whatsnew.asp>

³ David P. Smole, CRS, *Federal Student Loans Made Under the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers*, 1/21/15; CFPB, *Private Student Loans*, 8/29/12 http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf; GAO, “Federal Student Loans: Borrower Interest Rates Cannot Be Set in Advance to Precisely and Consistently Balance Federal Revenues and Costs,” 1/14 <http://www.gao.gov/assets/670/660548.pdf>

⁴ US News & World Report, “6 True Answers About Public Service Student Loan Forgiveness,” 4/2/14 available at <http://www.usnews.com/education/blogs/student-loan-ranger/2014/04/02/6-true-answers-about-public-service-student-loan-forgiveness>

⁵ NY Times, “Last Plea on School Loans: Proving a Hopeless Future,” 9/1/12 available at http://www.nytimes.com/2012/09/01/business/shedding-student-loans-in-bankruptcy-is-an-uphill-battle.html?pagewanted=all&_r=0