

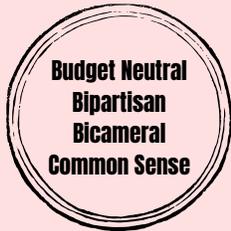


SpousalConsolidation.DoUsPart!



EXECUTIVE SUMMARY

Having understanding of the financial, psychological, and physical peril that married, divorced and abused Joint Consolidation Loan (JCL) borrowers faced, Congress rightly and urgently passed the bill in the Senate by Unanimous Consent and in the House of Representatives with bipartisan support, finally bringing the Higher Education Act (HEA) in alignment with VAWA2022. **THIS LAW DOES NOT PROVISION STUDENT LOAN FORGIVENESS, but rather allows two comakers of a Joint Spousal Consolidation Loan to split the loan into individual loans based on their respective loan portions. As of October 11, 2022, JCL borrowers have the right to separate their loans.**



We urge you to ensure that Federal Student Aid (FSA) is materially funded in FY2024 to specifically, expeditiously and appropriately implement the Joint Consolidation Loan Separation Act (JCLSA), Public Law No: 117-200. In this, we hope that you collaborate Senator Mark Warner's or Representative Negus's office. Both are the primaries for the bill in each chamber, have authored appropriations requests and can speak to the cost of implementation.

The sad truth is that **despite the Herculean effort to pass the JCLSA successfully to statute, the egregious conditions of the last 17 years of regulatory vacuum persist under the new law, because Congress starved the law's implementation by flatlining ED's budget in January 2023.** For ED, **Presidential reforms have taken priority.**

460 + days after law emplacement, the loans continue to hold financial liberties captive and prevent any real reprieves, forcing debtors into continued legal, financial and physical peril and compromise. Abuse victims remain shackled to their abusers and former spouses.

Congress's (YOUR) law is most meaningless when it cannot be executed to restore justice at a time when it is so direly needed.

"Survivors of domestic violence should never have to pay the debts of their abuser. This legislation would provide financial independence to those survivors who previously consolidated their student loan debt with their partner. I am proud to join Senators Warner and Cornyn in reintroducing this legislation, and I urge my Senate colleagues to support this bill to deliver relief to these individuals."

~Senator Marco Rubio, co-sponsor S1098, JCLSA

"...The bottom line is this spousal consolidation has kept me bound to my abuser. These loans have continued to be an avenue in which my abuser continues to intimidate and abuse me. The government has allowed this with no solutions. They have forgotten me."

~Jen, SpousalConsolidation.DoUsPart! member

What distinguishes JCL borrowers from the broader borrower base and student loan forgiveness movement?

- **Joint Consolidation Loan (JCL) borrowers sought statutory support and backbone directly from Congress to solve our student loan issue, in the manner prescribed by opponents of broad forgiveness.**
- The broader FFEL consolidation community has the right to consolidate to Direct loans and, therefore, has financial freedoms and entitlements from which FFEL JCL borrowers are barred, like access to Trump's and Biden's Pandemic Payment Pause from March 2020 to September 2023. Nearly 80% of JCLs fall under the Federal Family Education Loans (FFEL) program.
- Continued servicing of JCL loans endangers abuse victims to continued illegal physical threat and economic abuse, running contrary to the Violence Against Women Act Reauthorization of 2022 (VAWA2022). In a majority of cases across our group, the victim has been left footing the bill of their former abuser.



What are JCL borrowers' pre-existing conditions contributing to their hardship?



80% NO financial freedom, locked into FFEL, cannot consolidate to DIRECT like other FFEL borrowers

A generation of borrowers

40+

Raising children, sending children to college, caring for aging parents & retiring

84% monthly DEBT STRESS weekly to > 1X/day
67%

"... After PL117-200 passed, my husband Chris was diagnosed with cancer. We paid throughout the Payment Pause. We have since been inundated with medical bills while we wait for the execution of the law. Nelnet recommended Cancer Forbearance, but after discovering that we had a JCL, they said that we both would have to have cancer to qualify."

Brigid, SpousalConsolidation.DoUsPart! member

EXECUTIVE SUMMARY



50% ages **50-70** YEARS, making them **HIGH RISK** to age related health problems & **COVID-19**



& **COVID-19**



37% divorced with uncooperative ex-spouses, victims of **ABUSE**.

71% of these people have FFEL JCLs



"...I've filed bankruptcy. My ex-husband is unresponsive and I must forge his name to recertify for IDR... As is, I am in a hopeless situation that I cannot get out of. My health is impacted, my anxiety and blood pressure require medication, and I am hoping for a miracle that will bring relief. I am 57."

~Lorine, SpousalConsolidation.DoUsPart! member

Already suffered consequences of the **GREAT RECESSION**



DEFAULT(ED) OR EXPECTED



BANKRUPT(ED) OR EXPECTED

91% cannot grow retirement liabilities, => assets

The average Joint Consolidation Loan (JCL) Borrower has paid **19.9 YEARS**, has paid **101%** of their original **BALANCE**, & still owes **125%** of their original **BALANCE**

DURING THE COVID STUDENT LOAN PAYMENT PAUSE

53 JCL borrowers collectively

PAID \$861,703 but their collective **BALANCE** only dropped

\$3237

What are JCL borrowers' undue hardships since the passing of PL117-200?

Many borrowers remain liable for their abusive or uncommunicative spouse's portion of consolidated debt without loan separation under PL117-200.

Ed has provisioned interest accruing Administrative Forbearance (AF) until they can implement, but most borrowers are being denied access by servicers. Many borrowers have been trying for months to access AF while waiting for ED.

Borrowers continue to pay interest on loans from which they have the legal right to be free. Some continue to endure 'economic abuse' through continued servicing despite the law.

Real Costs

\$16,100

The average interest accrued by JCL borrowers during the Pandemic Payment Pause (\$385/mo.). Average monthly payments are less than interest accumulated.

\$ 9,420

The average amount of interest accrued by an FFEL JCL borrower while waiting for ED to implement PL117-200, IF Ed delivers separation in October 2024.

\$ 25,520

We cannot deliver JCLSA until the end of 2024, at earliest. Congress flatlined our funding in 2023.

ED says.