



Purpose

The purpose of this document is to prepare members for communicate, preferably discussions and meetings, with their Congressional representatives and senators to advocate and materialize a material budgetary line item specifically for Federal Student Aid to implement Public Law 117-200, the Joint Consolidation Loan Separation Act (JCLSA).

In this, it introduces a basis for mindset and approach with Congressional members and acknowledges nuances based on party. Once the general mindset and approach strategy is established, it provides speaking points taken from our Who We Are and Our Numbers surveys along with personal testimonies and reporting within our group.

These speaking points are not here to usurp your own personal testimony. They are here to provide some antidotes to anticipated challenges and to provide a broader context to place your personal testimony and substantiate our ask. As a constituent, it is important to impart your personal experience. It is left to your discretion on how to use this information based on your dialogue with your Congress people.

Mindset and approach

Basics:

The ask.

- We seek each of our Senators and Representatives to contact the following offices to support their bipartisan and bicameral appropriations request for FY2024 that would direct the Department of Education to utilize a set amount of funds for implementation of this law. There is a known estimate cost for this appropriation.
 - Senator Mark Warner (D-VA)
 - Senator John Cornyn (R-TX)
 - Representative Joe Neguse (D-CO-2)
 - Representative Bryan Fitzpatrick (R-PA-1)
 - Representative Haley Stevens (D-MI-11)
- We also seek each of our Senators and Representatives to convey their support of this request to ranking individuals on the House and Senate Appropriations Committees.
 - Senate
 - Senator Patty Murray [D-WA], Chair, Senate Committee on Appropriations
 - Senator Tammy Baldwin [D-WI], Chair, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Senate Committee on Appropriations
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- Senator Susan Collins [R-ME], Vice Chair, Senate Committee on Appropriations
- Senator Shelly Moore Capito [R-WV], Ranking Member, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies; Senate Committee on Appropriations
- House
 - Representative Kay Granger [R-TX-12], Chair, House Committee on Appropriations
 - Representative Robert Aderholt [R-AL-4], Chair, Subcommittee on Labor, Health and Human Services, and Related Agencies, House Committee on Appropriations
 - Representative Rosa DeLauro [D-CT-3], Ranking Member, House Committee on Appropriations; Ranking Member, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

Establishing a frame of mind going into a meeting or phone discussion.

Public Law 117-200 (PL117-200) and the Joint Consolidation Loan Separation Act (JCLSA) are interchangeable terms.

It can be intimidating to approach Congressional members. We are conditioned to believe that our situation is a direct result of our decisions. We are conditioned to believe that we must solve our own problems. These are important points to remember when approaching Democrat or Republican members of Congress.

The Joint Consolidation Loan problem is not one of our making. It is a problem that Congress and the Department of Education created in 2006, without our input.

PL117-200 has been passed and Congress agreed that this was an issue that needed to be addressed in 2022. With the law, we are in a stronger position to hold the Legislature and Department of education accountable.

JCL borrowers are constituents.

JCL borrowers are taxpayers.

It is important to clearly establish the distinctions that exist between Joint Consolidation Loan (JCL) borrowers and the broader student loan borrower base. This will diffuse boilerplate and company line responses, particularly from Republican politicians.

In a year of executive orders targeting student loan repayment, it is natural for the listener to initially assume you are calling in reference to the broader student loan forgiveness programs, it is imperative that you clearly state your intentions that we are calling regarding the ONLY student loan action to be passed through the legislative process in 2022. You are calling



regarding the implementation of Public Law 117-200. This will provide a reference number for the listener to do further research if necessary and it also reminds them that it is a law from their 117th Congress. Therefore, they have ownership over the law no matter what side of the aisle they sit on and this will help guide the conversation.

Democrats

Democratic offices have been generally supportive of our situation and the broader student loan forgiveness movement. Particularly, they have been supportive of allowing JCL borrowers access to benefits like PSLF forgiveness, the IDR adjustment, the PSLF adjustment, and other federal benefits. They are generally sensitive to our issues with continuing to pay and accrue interest while waiting for separation, so these are all open for discussion. They find that our inability to consolidate to Direct in order to access federal benefits is egregious.

Republicans

Generally, Republican offices have expressed opposition to student loan forgiveness. In this, they generalize our situation with all other borrowers. They argue that the broader student loan forgiveness movement infringes on taxpayers and is fiscally irresponsible.

Consequently, our letters and speaking points receive boilerplate response. We have to move the discussion beyond this. Boilerplate responses are lukewarm, emblematic of apathy, and miss the point. They are an easy way to dismiss the conversation with no real discourse.

Challenges and approaches

Republicans hold the following views, which we must approach directly and with conviction.

Challenge 1: “You borrowed it. Pay it back.”

Approach:

- We establish our disciplined repayment, tenure in repayment and negative amortization.
 - The average JCL borrower has paid for 19.9 years, has paid 101% of their original balance and owes 125% of their original balance.
- By funding the implementation of our law, it doesn't take away our responsibility to repay the loan. It simply allows our problematic loans to be separated and decreases financial risk for the US government and taxpayers.

Challenge 2: Republican opposition to student loan forgiveness prescribes that student loan problems should be solved through legislation and not through regulation or policy.

Approach:

- We establish that we are the only student loan borrower group to go directly through Congress for a solution, directly resulting in bipartisan ratification of PL117-200.



- We remind them that the bill was passed by unanimous consent in the Senate which means even the most conservative Senators agree that the JCLS Act needed to become a law. If necessary, remind Republican House Members that the bill became a law due to bipartisan support and only received negative attention AFTER President Biden announced his Executive program.

Challenge 3: Republican narrative holds Biden and his Department of Education accountable to taxpayers and fiscal responsibility.

Approach:

- We reinforce that PL117-200 is Congress's will.
- We reinforce that Congress (the Representative or Senator) has no credibility if it (he/she) does not see its laws to implementation and enforcement.
- We put the Representative or Senator in the position to investigate, challenge and hold accountable Biden's Department of Education for not implementing Congress's (their) law, in service to their constituency. We want to put them into the role of stewardship and accountability for the implementation of their law.

Challenge 4: Republican narrative falsely divides tax payers and student loan borrowers.

- We reinforce that we are both taxpayers and constituents.
- We challenge that our search for social welfare is no different than any other taxpayers.
- Because of our loans, we were forced to remain employed during the pandemic, because our student loan payments were not suspended. As a result, we continued to contribute tax revenue to the government which provided both extended unemployment benefits and forgiven Paycheck Protection Program business loans, while receiving no reprieve ourselves.

Speaking Points

The following sections provide speaking points in broad categories. There are three broad categories of speaking points that enumerate three important distinctions and basis for our ask.

1. We need to distinguish JCL borrowers from the broader borrower community to minimize boilerplate response.
2. We need to evidence the material consequences of waiting for a process of separation.
3. We need to point to the factors that contribute to our ongoing hardship.

A fourth category of supporting statements gives more resolution to the broad composition of JCL borrowers and their experience.

What distinguishes JCL borrowers from the broader borrower community?

- JCL borrowers sought statutory support and backbone directly from Congress, in the manner prescribed by opponents of broad forgiveness.



- The COVID-triggered Pandemic Payment Pause from March 2020 to September 2023 granted the broader borrower community temporary relief from student loan payments and interest.
- 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 due to the 17 year policy gap created by Congress and Department of Education.
- JCL loans are the only consolidation loans that run contrary to the Violence Against Women Act Reauthorization of 2022, where continued servicing endangers victims to continued illegal physical threat and economic abuse.
 - With no manner to separate the loans, victims of abuse continue to pay for their uncooperative ex spouse's balance or remain chained to former abusive partners through these loans, even with P.L. 117-200 in place.
 - This is the ultimate form of irresponsibility by allowing non paying spouses to continue to shirk their responsibility.
 - This can be tied back to the “You borrowed it. Pay it back.” argument.
- As Congressional law states, as of October 11, 2022 JCL borrowers have the right to separate these loans.

What are JCL borrowers' unnecessary burdens?

- The average joint borrower has repaid for 19.9 years, paid 101% of their original balance, and owes 125% of their original balance.
 - Continued payment, interest accrual and negative amortization is unjustifiably punitive.
- Since ED will not make the JCLSA a priority and produce a statutory mandated process to separate, many remain imprisoned to their loans, blocking their financial liberty [433] days after law ratification.
- JCL borrowers made payments and accrued interest throughout the Payment Pause and continue to pay through the payment restart grace period with no benefits.
- The tangible cost of pushing the bill up The Hill through 2022 was the continued monthly payments and interest accrual during the payment pause. The intangible and non-refundable cost was the time spent advocating for the bill.
 - 99% of borrowers are over age 40, with half ages 50-70.
 - The luxuries of time and health are shorter for this borrower group.
 - JCL borrowers are generally first-generation graduates, comprising a spectrum of races and ethnicities, raising children, sending children to college, caring for aging parents, and entering or setting sights on retirement.
 - While 2/3 of members are between the ages of 45 - 55, half of borrowers have entered the age range associated with higher health risks (50 - 70) and are at higher risk for COVID-19, despite having no access to the Payment Pause.
- During the Pandemic Payment Pause, 53 JCL borrowers collectively paid \$861,703, but their collective balance only dropped \$3237.



- On average, it costs JCL borrowers \$4,620 in interest annually to wait for PL117-200 to be implemented. So, if FSA implements separation under the JCLSA on October 11, 2024, it will cost borrowers \$9240 in interest, under continued repayment or Administrative Forbearance.
 - Because average monthly payments are less than interest accumulation, the average FFEL borrower accrued \$16,100 in interest through the Payment Pause. That is \$385 per month.
- For the average JCL borrower who qualifies for PSLF today and continues to pay, the average cost for waiting is \$9,008 per year, since they are making unnecessary payments and accruing interest. So, if FSA implements separation under the JCLSA on October 11, 2024, it will cost these borrowers \$18,016 under continued repayment.
 - The FFEL JCL borrowers who were uniquely barred from reconsolidating to Direct, on average, paid \$15,431 through the Payment Pause, while accruing the aforementioned interest.

What is causing the unnecessary burden?

- Despite program termination and statutory parity, existing JCLs continued to be serviced in a dual, deregulated, and discriminatory landscape since 2006.
- ED has systematically maintained, tracked, benefitted, and enforced about 20% of JCLs that it holds under the Direct program, leaving 80% to the full ownership, discretion and deregulation of FFEL institutions.
- Congress's PL117-200 continues to be delayed as a direct result of Congress's flatlining of the Department of Education and Federal Student Aid's budgets in January 2023. As ED continues to be tasked with and prioritize execution of Executive regulatory and procedural reforms, they claim to not have the resources to effectively or timely implement PL117-200.
 - This point can tie into Republican desire to hold ED accountable to legislation over presidential directives.
- Since ED has rightly provisioned Administrative Forbearance (AF) to give borrowers a break while ED implements P.L. No: 117-200, servicers, like Nelnet and Mohela, have been slow or resistant to adopt the administration of AF, often claiming that they require directives from the ED to administer it. DoUsPart! Estimates that less than a third of its members have received AF who want it. ED does not have the resources to keep up with the demands of our minority group.

Other supporting facts

The Department of Education estimates that there are about 75,000 joint consolidation loans still in repayment.



While conventional FFEL consolidation loan borrowers have had the ability to consolidate to Direct to gain access to federal benefits like the COVID Payment Pause, FFEL JCLs have been barred by ED because of Joint Consolidation Program abandonment.

- Nearly 80% of JCLs fall under the Federal Family Education Loans (FFEL) program.

Public Law No: 117-200, which amends only one section of the HEA, has been in place for 453 + days as of this writing.

- Despite Congress's urgency in 2022, the consequences of 17 years of program abandonment and deregulation remain.
- By comparison, the Higher Education Reconciliation Act of 2005 (HERA2005), which discontinued JCLs and modified 29 sections of the HEA, took only 296 days to execute.

Many borrowers remain liable for their abusive or uncommunicative spouse's portion of consolidated debt.

- For some, the continued servicing of these loans has empowered the ongoing perpetration of "economic abuse," as defined by VAWA2022.
- 37% of respondents are former spouses and abuse victims who remain tethered only through these loans. They seek separation.
- 71% of divorced and abused joint borrowers fall under FFEL and, therefore, suffer from the inability to consolidate to Direct.

As an uncertain economy looms, our borrowers reflect on their experience during the Great Recession of 2008, which had devastating effects on many.

- 23% of members report that they have been in default previously and rehabilitated, are currently in default, or expect to default in coming months.
- 26% of members report that they have been in bankruptcy previously and rehabilitated, are currently in bankruptcy or expect to bankrupt in coming months.
- 57% of members feel debt stress at least weekly or once per day.
- 84% of respondents feel stress at least monthly.



Prepared by Chris and Kristen Alldredge. Thanks for reviewing this document and planning to advocate for our law's implementation. Feel free to reach out via email or Facebook Messenger with questions, concerns or comments.