

Week of 12.25.09

Student Loan Sinkhole?

How massive student loan debts are sinking American dreams and causing a national economic headache.



According to the Department of Education, the average amount of undergraduate student debt in this country is now more than \$22,000. And sudden changes in lenders' terms and rates can quickly turn a personal debt into a financial sinkhole, grounding the dreams of many college graduates even before they've started.

This week, NOW follows the story of a single mother in Baltimore trying to dig herself out of more than \$70,000 student loan debt. While issues of personal responsibility are debated, there's no question the high price of higher education is creating an ocean of student loan debt for people who can least afford it.

How are the 70 million Americans with student debt frustrating America's economic recovery?

The Weekly Q

Are students to blame for taking on too much college debt?

- Yes
- No
- Not Sure

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This show was originally broadcast on June 19, 2009.

Related Links

[FinAid.org](#)

[Forgive Student Loan Debt](#)

[Student Loan Justice](#)

[The Project on Student Debt](#)

In the News

[Forbes: Grads May Soon Repay Student Loans Based On Income](#)

[New York Times: Students' First Lesson: Beware Loans' Fine Print](#)

[New York Times: What's in the New Student Loan Proposal](#)

[Washington Post: Sallie Mae's About-Face on Loan Subsidies](#)

[Remarks by the President on Higher Education](#)

Tools for Students

NOW: [Student Loan Debt: Advice You Can Bank On](#)

The Project on Student Debt: [Student Loans: Avoiding Deceptive Offers](#)

FinAid: [Income-Based Repayment Calculator](#)

Student Lending Analytics: [A Student Loan Rating System](#) and [Guide to Private Loans](#)

Viewer Comments

Web Features

Student Loan Stories

If you're drowning in student loan debt, you're not alone. Read personal stories submitted to NOW.

In Your State: Graduates in Debt

How much student debt exists in your state? Also see the student debt levels at local colleges.

Student Loan Survival: Advice You Can Bank On

Has your tassel become a money hassle? Our financial expert offers help.

Sallie Mae's Response

Read what the student loan provider had to say.

Lawsuits Against Sallie Mae

Commenter: salliemaecorrupt

Like so many others, I consolidated \$50,000 in student loans with Sallie Mae. Since I worked for a local government making \$32,000 a year, I was stayed in forbearance a long time. My loan balance increased to \$102,000. Approximately four years ago I got a better job and began paying them back. As of yesterday, I have paid over \$35,000 but my balance has only gone down to \$99,000. All of my payment is going toward interest even though they are saying my loan will be paid off in 15 years. Worst of all, there is no one at Sallie Mae who is even slightly interested in helping me with this. I finally got one person who admitted something was wrong and promised to mail me an amortization schedule. That was 9 months ago and I have received nothing; but if I skip payments my phone rings every hour saying I am overdue. I am convinced Sallie Mae is corrupt. I hope and pray that congress will open an investigation. Student loan lenders should have to follow the same rules other lenders follow.

Commenter: Brad

Look... I started school in a strong economy. With jobs available and a good plan. Then... when I graduated... things were different. Jobs were not available and my industry (culinary) was decimated. I sit with an underemployment situation for a job and feel lucky to have it. There is no way that I can afford the \$1K a month Sallie Mae wants. I am in a state of default and I can't change it. I returned to school post-divorce. I am 42 years old. There is no way that I will ever erase this debt. The thought of retirement is a never gonna happen thing. My future is basically bleak. Suicide is starting to seem like a viable option here. Scarey... but true. This isn't some kind of sympathy ploy... it is simple logic.

Commenter: What can I do

I have been on Social Security Disability for 10 years. I had to drop out of school due to illness and then lost my job. My school counselor told me to apply for forgiveness, I did BUT didn't realize that my loans were held by different companies. The doctor filled out all of the information and half the loans were forgiven,, however the same paperwork went to the other loan company who later sold it to Sallie Mae and resent a photocopy to the doctor for more information. Once all the information was received, I was denied because it was a photocopy...which they sent me! Several attempts later they claim never to have received the new forms...three times.... 7 years later when I went to work part time to supplement my meager income when I was caring for my elderly father who had spent all his money on my mother's care (their entire savings), my social security and wages (\$65.00 per week) were garnished. I finally got a financial hardship deferment but am applying for that again (it must be done yearly) and have to get my doctor to fill out the medical paperwork again. By the way for one half of my student loans....total \$7500 I now owe over \$75,000.

Commenter: Repeat

Your post secondary education is to qualify you for a career. The student loan or debt is to help pay for it (an investment). Compute the value to cost ratio, don't buy a questionable product, for a saturated career field. Yahoo is currently running an article about jobs available in 2010 making \$35-\$50k without a college education. I live in a town of 3,000 and we can't fill a job paying \$37/hr, no college education required. BUT, you must have "skills", "work ethic", and clean criminal record.

Try with your last breath to avoid taking out any student loan. The nation is over-run with sheep having expensive educations standing in line waiting for a job. Want a good secure life, choose an occupation that is lacking applicants. Get qualified and be ready to tell the interviewer why you'd be an asset to them. I'm not sure the EU approach would work in USA. The gov't decides in high school where you fit in society and then educates you to that career nitch. Little or no personal choice. Of course that's how socialism is suppose to work, government control over personal liberty.

Commenter: Anne C.

I do feel better reading about other's issues. I have had numerous stall tactics, requests for "information", and very frustrating issues dealing with Citibank. To say they were smug, condescending and gave me a major run around is putting it mildly! Despite making dozens of phone calls, sending numerous e-mails, regular and priority mail and faxes, I would get letters stating that I had failed to respond to them. They leave a good paper trail to make it look like the customer is non-compliant with the process. I've dealt with student loans in one form or another for about 13 years, and was warned by fellow classmates; "You'll notice quite a difference this time -- just try to get your loan application processed in time to register for classes." Boy, were they ever right! One Customer "Service" person -- and I use the term loosely, gave me a very hard time and was quite arrogant about it -- she did seem to enjoy it -- guess that's her job satisfaction since they're not really processing the loans like the old days. She told me I had no reason at all to be frustrated, despite 8 months of trying to get a loan processed.

Commenter: Roberta Enriquez

First can you tell me how the young lady you call Jena Moss is is getting along? Secondly I think with her education she can get a hold of her financial problem and make a significant impact on the lives of the people she dedicated her life through non-profit work.

Commenter: William

My sister last year hosted an exchange student from Denmark. I was amazed to

learn that in Denmark they treat college as we do high school. So a higher education costs the student nothing! This benefits them tremendously when the young people can concentrate on their country's economic well being without all the trauma a profit driven education system demands. The United States is so far behind the rest of the world in so many respects.

Commenter: Thor

Say what...?

"education is expensive, and loans are the only way many students can attain a degree." Not So... if you fall for that hype you are just another sheep ready to be shorn.

Your College quality brain cells can always find a way. Only sheep have to fall into this student loan sink hole, break out of the flock, and stay out of debt. Career and education choices are yours not the banks or financial aid counselor. Seek solutions outside the mainstream loan addictions. And as stated below "remain flexible" in both your approach and in your expectations. Life doesn't come with a script, so stop following one.

Commenter: Think about it

If you attend a community college for the first two years, and then transfer to a state college, it will not cost a ridiculous amount of money. I am unaware of how much it costs if you want to continue your education, but generally speaking, the first four years should not be very expensive. You can also apply for government assistance with FAFSTA. If you are pursuing a career with an initial investment of 70K and you are not promised any type of secured salary, it would be foolish to pay that kind of money. You would be better off to go to community college for the first two years, state college to receive your four year degree. Then get a job and take a few night classes and pay for each class in advance as you can afford it. In the long run, you will not be overwhelmed by debt!

Commenter: Steve

There is no way to avoid it. Higher education is expensive, and loans are the only way many students can attain a degree.

Commenter: chance

so the options are to either pay back the loan
or die-

what would be best for your family?

what would you choose? - food, mortgage, health insurance...

Maybe this is the bigger issue -

Thousands of us are awake late at night debating what to they should do. This reality was not part of the student financial aid sales pitch.

Commenter: margaret sohar

Back around 1994 I took out a Sallie Mae loan for my son for \$5500. I faithfully pd \$69.70/mo for over 5 yrs, when I sold my house in 1999 & pd off the loan it was \$5,000.00 that I had to pay. I later learned from a 60 minute episode on Catherine Reynolds former head of Sallie Mae that she(who was formerly a person of insignificant financial means) had acquired this so called Gov't agency through her political connections. the story centered on controversy surrounding her offer to donate \$50 million to the Smithsonian. That told me what big business these student loan Corp's are.

Also, I would like to find a way to get this message out to all persons going through a divorce as it isn't known and it's the reason I found myself having to sell our home. Approximately 3 yrs before my divorce in 1991 a law was passed (all states or just RI ?) that stated a man (? parent) didn't have to abide by any agreement in the divorce decree to pay toward college or Medical bills for a child over 18, IF the document/decree stated at the end that it was incorporated into the family court document. The reason being that this would make it invalid as a civil court document. the wording would have to state that it was not incorporated in order to be valid. I often find it quite frustrating to read or hear in the media that the women of middle eastern countries have no voice. Women and children in this country have no voice, only money has a voice and for the most part it's in the hands of the men.

Commenter: RAF

The title of this NOW section says it all.

"Student Loan Sinkhole?"

WARNING: It's a sinkhole... so stay away...

Commenter: Stop it now...

Many comments below focus on the "system" crippling students financially for receiving their education. Actually, everyone whining has a basic education already, most likely at public expense (free to them). It's their career choice and higher education cost which presented unacceptable pitfalls or hurdles. Student loans are like candy to a child. Some handle it well, while others eat to much. Don't complain that your student loan or the banking system is ripping you off, walk away. If you can't afford it, don't use it. The lenders can't have a single penny of your money if you don't sign their contract. "Student loan" does not mean a training loan, or try this to learn how a genuine loan works. It's not a practice loan, it's a real, honest to God "contract" with adult responsibilities to repay. If you don't know how to re-pay it, walk away and don't sign it. Education

is available without borrowing money, so get those old brain cells working and design a game plan which keeps you debt free. Yes, that could mean choosing a different career path, or going to a less expensive school, or even moving to another State or country. The tree of life has many branches, consider all of them before you borrow \$100k on a worthless, non-productive education. Like somebody below said "debt is dumb". Somebody else mentioned "public service" jobs for education loan reduction. Many employers also pay for employee education, while others offer co-op work. Lots of options available so go find them and be "flexible". The more rigid you are the less options you have.

Commenter: Lance 16

"we have a front seat view on why the rich get richer and the poor get poorer." Mark is right. If the above continues to happen, then America will be in the exact same position that the Roman Empire was. We need to learn from the past. It is there for us to learn from, not to repeat. Instead of bailing out the same companies for the constant mistakes they make, how about they use the money to form other companies that could benefit the economy more than the failing ones could.

To interpret what Pete is saying, making mistakes are O.K. but make sure you learn from them and learn from someone else's mistakes also. Do not repeat them, it will get you nowhere and in some cases land you backwards.

Commenter: Pete

Hellooooo... for every job requiring a professional education (college) there are three excellent paying jobs requiring solid technical education (tech school or apprentice) and three low wage jobs requiring basic education (GED). Facts are that your BS or BA only qualifies you for an "entry level" position in professional and some technical fields. Lucky my wife and I woke up early to this issue and made good life choices. We started with "nothing" but a hard work ethic, dropped out of college for technical jobs and did very well. Bought and paid off a nice home, raised two beautiful kids, have 5 diverse mutual funds, a solid annuity retirement and avoided the "rat race". LESSONS LEARNED: Life doesn't come with a script, so take advantage of any "nugget" when the opportunity is there. Develop good decision making skills. That could mean college isn't necessary for your solid future. If you're poor like we were, let your employer pay for your education. That's not rocket science, but it is common sense. Be flexible in career direction. It's not what you "want to do" but rather "what are you capable of doing". It's OK to fall down, but always fall "forward". Never run away from anything, but always run towards something better. Never over extend and stay out of debt.

Doubt my statements, ask any major carrier airline pilot, electrical lineman, iron worker, etc. They make upwards of \$100k with fairly good employer benefits and every one of them is an expert at good decision making skills. They have to be,

or they'd be dead. Life is not easy, so stand-up, move forward, and for goodness sake stay out of debt. "Debt is Dumb..."

Commenter: Mark Sorensen

I hope people reading these comments realize that with the bank bailouts (TARP, FDIC guarantees, billion dollar tax breaks, 0% borrowing, and now the latest \$4T bailout tucked away into the "financial reform" legislation) we have a front seat view on why the rich get richer and the poor get poorer. It is not by coincidence - it is by design. I went to one of the best engineering schools, paid off my loans and now run a successful business without any debt. To see these piece of shit bankers get bailed out for their fraud and failure and reward themselves again with obscene bonuses has really broken my faith in America. These people are parasites sucking the blood of all of us one way or another. Until we get rid of them, the Fed, Geithner/Summers, we are all forced to live in their asylum as slaves and serfs.

Commenter: Derek

The whole monetary system we live under is impossible to sustain. When the banks charge interest, it creates debt that cannot possibly be repaid. Where is the money going to come from? It doesn't exist. The banks "loan" money that they just created out of thin air, then they charge interest on that imaginary money. Only, the people in debt cannot create money out of thin air like the banks do.

I suggest people take a look at this video

<http://www.consciousmedianetwork.com/members/tgreco.htm>

Commenter: Wiser but suffering

I believe that funding was removed by fault of either school, lender, or dept. of education in a bait and switch swindle. I received commendation letter from state senator, president of university for 4.0, and was on dean's list . I was on track for professional pilot and would have fulfilled financial obligations, except funding was no longer available. I was blind-sided by this lack of responsibility by what should be much more reputable organizations.

Commenter: Joe Debt

Commenters: Please contact Rep. George Miller, Chairman of the Education & Labor Committee. He writes the Education laws. Bombard this man with emails and phone calls! Also, please read this link because apparently THOUSANDS of borrowers are in the same shoes. Loans but no jobs!

<http://edlabor.house.gov/newsroom/2009/09/changes-to-bankruptcy-laws-nee.shtml>

Commenter: In debt but hopefully not for long

To Ms. Lee's comment, the video did say that Gina was a victim of sexual assault...maybe you missed that. To me, it is commendable that she is trucking through this hardship with a child-- that she decided to keep.

I also have been thinking about my massive debt after coming from a family of low income. I decided to follow that inner voice to become a teacher. While the prospect of becoming a teacher has been exciting, the news that as a certified, highly qualified, teacher with a Master in Education, I would be working just as hard as other teachers in my county...but make 1/3rd of the actual income that I am supposed to make.

In other words, I was hired in my county to teach and do the same job as the other teachers, however, I was hired as a "long term sub" instead of a regular teacher, and my salary is that of a long term substitute....not one for a highly qualified, teacher with a Master's degree....my hopes of paying off my student loan debt within a few years will have to be postponed.

I am praying and believing that next year however, I will have a teacher position with the pay I am supposed to receive, so that my goal of paying off my debt in 5 years will be realized. I will then also be able to catch up with my dream of not paying rent, but rather owning property. Thank you to PBS for posting this!! I have been praying that something would be done about this situation, and I was just literally going through my mountain of student loan notices today, to "check in" and see where I stand.

Lastly, I want to speak for college students who decided to become a teacher, and now have graduated with a mountain of debt, are highly qualified, received their first teaching job with a slice in the pay due to the economy, and still have to make ends meet by paying the monthly loan payment.

I wish there were more options out there for students, especially those entering into professions with low pay but are focused on helping like teaching and social work. This year I will make around 16,000.00 from teaching (which really should be 51,000.00), and my student loan debt totals 52,000.00. I hear talks of cuts and the same situations for new teachers next year. Thanks for listening....

Commenter: Amarisa

Whatever happened to the concept of working and going to school at the same time, taking perhaps two courses a semester while working full time. I know

several people who have done this and have graduated with no debt whatsoever. Isn't the extra time it would take to obtain a degree worth not ending up in debt? Whatever happened to accepting personal responsibility for decisions made, even if those decisions were not the wisest? If you sign on the dotted line without reading the fine print, whose fault is that?

Commenter: Ann

I was born and raised in poverty. I dreamed of going to college upon finished high school. I had seen on TV and heard from others that had gone to college that I could lift myself out of poverty by going to college. Eventually, the opportunity came where I was accepted in a top notch undergraduate school. I did not have money so I use grants and students loans to complete my degree program. upon graduating in 1990, I had about \$8000 in student loan debts. My first career was low paying. to be exact, I was making about \$21,000 per year. After paying minimum living expensive there was no money left to pay my student loans. I finally left Florida and relocated to Pa where I continue to make low wages of \$25,000 per year. By this point, cost of living has increased 3 folds for me. I was not able to making payments on my \$8000 under graduate loan. So I decided to return back to school for a Masters. I had to take about one year of Pre-req so that was about another \$9000 in graduate funding. The total for my undergraduate fee was about \$17000.00 in 1997. I had my daughter in 1997 and became a single mom in a low paying sales job of about \$21,000. Today, my undergraduate loans have risen from \$17000.00 to \$79,000. Plus another \$29000 for my graduate studies. I have been out of work since January of 2009 and no prospects for employment. I am not sure what to do as a single mom. My dream that I had over 20 years ago does not seem like a positive dream anyone but a sinkhole that I will never escape until President Obama does something to help cure the interests by allowing college graduates forgiveness of the interests and pay only on the principle of the loan.

Commenter: Shoshana Akman

Facinating and disturbing report. However, you seem to be asking the wrong question. Why are universities allowed to charge so much money? Most undergrads are taking English comp and intro to math and intro to sociology all taught by unpaid grad students. These universities have massive endowments. The real question is where is the money going and at what point should we just refuse to pay?

Student loans will always be a problem if we never question the source.

Commenter: Alan Osterman-junefirst26@yahoo.com

This is the second time I saw this program- STUDENT LOAN SINKHOLE. Is there any new information on the single mother featured in this show, aka Gina

Moss,? I hope things have improved for her and her little girl. I felt so sad for her and her girl when they were packing up to move, and her little girl started to cry because she could not take all of her toys with her. Even though I am loosing my home, I still was very touched by the plight of these two nice people. Prehaps in the future you can do an update on them. Good luck to them both. Thank you, A.O.

Commenter: susan

my husband and myself were taught that the way to lift yourself out of poverty would be to get an education. we were both elated when we were accepted into graduate school. things did not turn out as planned. my husband graduated in 2006 and it took him two years to find the job he has now which barely requires a high school diploma. i graduated in 2007 and have yet to find a job. we had to file backruptsy to stop the mounting interest that we both owe. we both owe approximately \$150,000.00 each and our future is uncertain. if i had it to do all over again, i would not. i just want to share our story because i am sure we are not the only ones, and maybe, just maybe someone will listen and eventually help us. if people can do a short sale to get rid of their debt or file bankruptsy to get help then why can't we. thank you for listening. susan and steve.

Commenter: David Hubbard

Your story on the young woman known as "Gina" was very good journalism, but heart wrenching. Please do a follow-up story. How can people help Gina and her young daughter?

Commenter: Frank the Tank

I came out with about 50K in student loans when I graduated in 2003. Fortunately, despite the down economy today, I still have a decent paying job which allows me to be current on my payments. I am about 2-3 years out from paying off my loans completely. I know I am in a better situation than a lot of friends...some of whom didn't finish college but yet had to pay back the loans they did take out.

My advice to kids in college or those about to graduate is to live below your means when you get out (especially in this volatile economy). That's a big mistake I see among my peers. These new grads get their first job and treat themselves to a swanky apartment with all the furnishings or they go buy a luxury car. They rack up credit card debt living the high life in addition to their existing student loans. Eventually they're in over their heads and living paycheck to paycheck.

I believe there's nothing wrong with moving back in with Mom and Dad or driving

your beater car for a few more years. I know that this can suck, but you can save a lot of money doing this and pay off your loans. You'll be better off financially in the long run.

Commenter: Debranurse

I went back to school in my 30's using a displaced worker program then scholarships mostly do to a high gpa. I did not take out any loans. And yes, at the time I had a husband who earned less than \$25k per year and two kids. This was at a public university.

I do sympathize with the woman in the story. Students sign up for loans/credit cards/etc. without knowing what actually happens down the road. And she has the extra burden of being a single parent.

I have read lots of the comments and find some distressing. I do NOT think all student loans should be forgiven. We scrimped and saved and didn't eat out, didn't drink, bought at garage sales, etc. for me to go to school. We had one car and I often walked 2 1/2 miles home from school if I missed the bus and didn't want to wait for an hour for the next one.

Students need to sit down (with a parent or other helpful person) before they enroll in any college and figure out what is the best plan financially. Mt daughter now goes to the same school I graduated from and lives at home. She is on a tuition only scholarship and works part time at the local Jimmy Johns. She picked a program (speech and language pathology) which has a good chance of getting a job after she also completes a Master's Program. She knows she has a long hard road ahead of her and she has seen several of her friends flunk out of school already. We are working really hard so that she does not have to take out school loans, because I knew they were a racket.

My nephew and his wife (pharmacist/RN) have about 70K in student loans. Yes, they make good money now but with a house payment in an expensive living area, two cars, and a baby they do struggle.

I would not recommend student loans to anyone.

I agree with the comment that we are a society that wants stuff right now. I had several friends who took a year or two off between HS and college and worked 2 crappy fast food jobs and lived at home so they could save for college.

I think that the loan system needs overhauling and the government should offer low interest loans but make the students attend a financial awareness class before giving it out.

Commenter: Dave from NY

Finished up Grad school from Ivy league could cost you an estimate of \$150k, and that's obviously does not include living and other expenses. During this program, it mentioned that our college tuition has been increasing fivefold. We should have a future program to explore why our tuition increased so dramatically.

Commenter: Paul Bennett

How do College students do it now?

30 years ago my tuition was cheap, loans were cheap.

I got a good job in broadcasting with benefits.

College graduates today have a crazy debt that could buy a house, interest rates that are 3 or 4 times what I paid, and employers that hire graduates with masters degrees as temps.

Students getting masters degrees to work as temps.

How smart is that.

Commenter: Charles Bryan

The solution is very simple. Cut the U.S. Defense Department budget by 50%.

That equals roughly \$300 billion/year. Take the savings from cuts in the defense budget and dedicate it to student loan relief.

Oh wait, how about a war profiteering tax imposed on companies like Halliburton, Kellogg Brown & Root, CACI, Blackwater (NKA "Xe") and others? Proceeds from said war profiteering tax to be dedicated to student loan relief.

Commenter: nut

I am 54 years old. My life has been ruined by constant underemployment, and I am ill. I will never be able to pay student loans off . I have no insurance. I am eligible for nothing. My original ,loans were 27,000. They now total over 80,000. I need surgery in both hands and both knees. I have skin cancer. My spouse, is not well.

Student loans are the only loans in America that have had the statute of limitations and bankruptcy protections removed.

This is highly illegal, as it goes against the United States Constitution which resolves to give equal protection of rights to ALL Americans.

As it was passed by congress that it was okay to remove our rights...Congress should be held accountable for allowing our rights to be removed, and constantly violated, by both this Federal Government, and Private lenders who farm out and sell and re-sell us to others so no one can ever keep track...

Student Loans is a violent and dirty politically motivated business, and has grown away from helping students. Anyone in our current government who condones the created laws that removed our rights during the Bush Administration is someone not to be trusted.

This goes beyond "if you took it out ,you should pay it back" because both the government and private lenders made it virtually impossible for hundreds of thousands of us to do so.....

SO, not Only has the government become predatory, it has allowed private

lenders, to become predatory, and both institutions remain still predatory.....no matter how the government tries to white wash things by creating things such as IBR, it can not obliterate this.....it is all wrong and grievous. As far as the supposed new thing they invented called "IBR"...

It is all re-worded garble and gook yet still that entraps anyone who agrees to sign papers and try to be in the program....IF it were even a fair program all of us who have no income would have been included in it, AND DISMISSED!

I call on every defaulter who's life has been ruined by this debt, who can never re-pay this due to finances and or illness, who's only crime was to try to go to school to better their lives and got stuck..

etc. for what ever your reasons, you clearly are victims of our federal government, and private predatory lenders.

I encourage you to tell them "NO!". Say NO to them. Refuse to agree to anything, refuse to sign anything.

Call upon this new administration to remove statute of limitations from our loans and to also restore bankruptcy rights.

This is the only business in the country that has lobbied for and gotten our constitutional rights removed. How is it the government allowed illegal practices to become legal? IN retrospect then....how are the laws they inflicted legal? The truth is under the constitution, they are not!!!!

So fight them. Write the president and your congressmen and tell them you are not going to take this anymore, and that we DEMAND restitution!

Demand that they restore statute of limitations and bankruptcy rights to Student Loans. We deserve a do- over as much as the next guy...who was late on a mortgage, or car payment ,or equity payment etc... those people get to start over if they file bankruptcy.....as it stands now we do not.

Does anyone really realize the magnitude of this problem???It has to do with greed and predation and nothing more!

Sure there was an occasional person who just decided they were going to not pay....

here is the trouble with this weak and wishy washy argument...

for every kid who decided to just book on this, there are hundreds of thousands of people who in earnest could not and never will meet the requirements for re-payment .This is because of the ways the loans were set up. They are designed to be predatory so that you will NEVER stop paying oine way or another and the only way the predation will stop is if you are dead.

As far as our government goes:

We elect these people. Our taxes pay them. It is their job to protect us equally. AND if, they are not willing to do so then they are in violation of their oaths to protect us and do what is right by us. Therefore, they should not be holding political office.....

So if they do not reverse the laws enacted by the Bush Administration then by

golly people VOTE THEM OUT OF OFFICE!

Write them! Demand that they restore the statute of limitations, and bankruptcy rights to Student Loans.

DEMAND IT! Furthermore demand that they restrict private lenders from ever doing this to us again.

Education and trying to get one, is a good thing.

They treat hardened criminals better than students on this country. I find that really twisted. We are not criminals. We are people who care about and cared about trying to make a better life for ourselves and families , and we are being punished for that. It is a crooked and dirty business.

SO get off your butts people. Say no and fight them!

Commenter: Karen Schulte

I watched your program on student debt with dismay. Not only that this talented and skilled young woman is slowly falling into poverty, but also that the interviewer wanted to know why she didn't choose a more lucrative career path, i.e., an M.B.A, or a law degree. Why should those of us be penalized when we take on a career in Social Work, Teaching, and/or Nursing. As a veteran MSW I would think this country would be far better off if it honored the helping professions not only in creating jobs that lead to salaries at the level of M.B.A's, but also to give priority to those struggling to survive in a social and economic time that needs their skills.

Karen Schulte, LCSW, N.Y.

Commenter: Concerned for the future

Sucks for the housing market. When you graduate with the equivalent of a mortgage payment, how will you ever be able to afford a house?

We have a perfect storm of perfect storms happening.

Commenter: keith parker

hi,

my wife and i just watched your show about student loans. we would like to help the single mom in you show. do you know if she has a P.O.Box?

Commenter: Maja Rater

Thanks for bringing up the responsibilities of the father. This question is unheard of in this culture where "single moms" have become a cultural norm and child support orders are not worth the paper they are written on.

I assume you are being flooded with requests from the so-called "pro-life"

community demanding to help this poor mother who chose to have the child?

Yes this is a predatory culture in more ways than one!!

Commenter: Ronald Gordon

I took out a \$5,000 student loan in 1982. The loan was sold several times, the interest was raised and I was charged many "fees". I had a state job and asked the state to take over the loan so I could have it deducted from my paycheck. They added \$20,000 to the loan as a fee for the company they got it from. I just finished paying it off. Total with intrest well over \$30,000.

Commenter: Mr.Business

#1--Seek a good bankruptcy lawyer, you may be able to pay off those loans with credit cards. Since credit cards are dischargeable loans you may be able to declare bankruptcy on those cards. You must think like a business, not as an individual. Seek counsel, I am not an attorney.

PBS PLEASE GIVE THESE PEOPLE SOMETHING THEY CAN USE.
BANKRUPTCY IS LEGAL UNDER US LAW, IF THE LOAN IS NOT
DISCHARGEABLE MAKE IT SO.

Commenter: Nkrumah

Public education should be free to all those who complete the courses. The problem with our professions these days is that everyone has to pay back huge loans. So they seek huge bonuses. So they engage in dog-eat-dog career behaviors. Instead they should be in debt to the public good.

Commenter: Elizabeth

Don't Think that the Public Service Option or the IBR plan is a good idea either. Think about it, for those of us that are on the IBR, we have 80K or more in debt, (which is mainly accrued interest) we pay for 10 or 25 years, (dependeing upon the plan) You are then hit with a whopper 1099 of interest that is considered income that you need to claim on your taxes. So let's say I have 50K or more now in additional "income" that is written off from the forgiveness. What happens if the individual can't pay the horrendous taxes on the forgiven interest? So basically it's borrowing from Peter to pay Paul. You are still stuck with a great deal of debt. This is not a good plan. I say, let us pay off our original loan debt and the government releases us from the astronomical interest we are forced to pay.

Additionally, we should have a class action suit against Sallie Mae!

Commenter: Alex

In portraying this young mothers financial travails, you focused on her student loan burden. The main issue in her poverty is her decision to have a child out of wedlock. This is the primary issue attending child poverty on general-not student loans. It is galling to listen to her talk on privilege, her sense of entitlement is as deep as her sense of victimization.

As a society, we will be paying for her poor decisions for a long time.

Commenter: michelle waide

I was very moved by last night's show and wondered if there is any way to send Gina some money? I understand that she's not using her real name.

Commenter: John Cappola

Gina Moss' predicament is a wake-up call for every Boomer in my age group (over 50). We all complain about OUR costs of living, OUR limited fixed incomes, and cuts in OUR entitlements. We must address the deceptive predatory practices of private lenders. "To achieve a better life than our parents?" It is sad that our youth and our future is evolving into a state of poverty.

Commenter: Dave

Why not place any balance on a credit card then declare bankruptcy after the required time passes? Just see a good bankruptcy attorney. My understanding is your credit will be back or above where it was before you filed in just a few weeks.

Play the same game they do thats how you beat them!! Get representation.

Commenter: Alisha

I agree that and education should be a right...not a priveledge. Basically the rich families can afford to send their children to college without a care or worry in the world while lowerclass families only have the option of accumulating thousands of dollars in student loan debt which they will likely end up struggling to pay for many years! It doesn't seem fair. I guess that's why the rich stay rich and the poor stay poor!!! Someone needs to address this issue and give the lowerclass a fighting chance at a better life too! It seems so hopeless...and yet I will continue on with my higher education knowing that when it comes time to pay my student loans I will be struggling to get by.

Commenter: Bob Threlkeld

The NOW show I watched tonight (Student Loan Debt ; December 25, 2009)

made me positively sick, and I had to turn the TV off. The part I saw presented an unmarried young white woman with a small child. As it turned out, she had the child because she had been raped, and it was disclosed that she is afraid of the rapist, so NOW did not use her actual name. The fact that she is afraid of the rapist implies that the rapist is alive, on the loose, and its approximate whereabouts are known. Why is this rapist still running around, and presumably still in possession of two arms, two legs, and a set of genitalia ? Why (?) isn't it currently existing as a torso, a neck, and a head ; PERIOD. This show wasn't about student debt, it was about a black rapist (I won't be more specific about my feelings on that issue here), a victimized young white woman who was too ... I don't know what ... to get an abortion, and the failed "justice" system we have in this country. Calling this a show about "Student Debt" is like reporting on the Kennedy trip to Dallas on November 22, 1963 and calling the story "New Airport Terminal at Love Field". PBS is the ONLY TV content I watch, but I have thought for a long time that NOW was going downhill. I think NOW just ran over the cliff as far as I'm concerned.

Commenter: David G

America's education system is at the center of America's problem with class, social and economic division. Rising tuition and the necessity of student loans for working class students perpetuates and worsens social stratification. This hurts our "free" and "democratic" society. Do we want to be a country of educated, but debt-laden or bankrupt people? Take out an education loan. Spend money on material things we don't need (credit cards make this easier). Take out a loan for a home that's bigger than you need. Hopefully you're lucky enough to have health insurance, because if you need to see a doctor you'll end up paying thousands only because our doctors and hospitals are overspent on their own student loans and fancy medical equipment.

It is no surprise why we are in a recession. This isn't because of a one-time mistake. It is because our system is flawed at the core. Unless these flaws are corrected, America's unfettered freedom will have become it's own shackles and chains. Don't buy into the many frauds of this country: excessive student loan debt, credit cards, a lifestyle of consumption. Scale down.

Commenter: Carl

My loans are now being garnished with 1/4 of my weekly paycheck going to the loans. The worse part is that its not even paying off the total intrest so my bill is still getting larger. How am I supposed to get clear if nothing is going to get paid? If I knew it was going to be this bad, I would have used credit cards, at least I could declare bankruptcy on those.

The funniest moment though was when the credit agency called and actually asked if I had \$60k on hand to pay off the debt.

Commenter: Tee

If we don't kill the republican party that supports the corporate media, we will soon be charged a rate for the number of breaths we take or the number of steps we walk.

Why should we have to pay enormously for health, education, shelter, and many other things that our other animal species get for free?

Why should we have a system that allows 1 percent of the population to exploit and abuse the other 99 percent of the population, the environment, and put our earth on the brink of destruction?

George Bush has the nerve to say, they hate our freedom. No, they hate our occupation, exploitation, violence.

Student loan abuse is just a matter of our system feeding on itself when it runs out of other markets to exploit. The need to enrich one self at the expense of others recognize no compassion.

Obama and our political system works for the exploiters and not the exploited. Don't expect any kind of relief from student loan abuse.

Commenter: Been there

I had to apply for bankruptcy in 1990-92 I was able to show up until about 6-12 months prior that I was able to pay my bills, mortgage, etc. The lawyer presented to the court that I had sought a teaching position all over for the previous five years and was unable to secure a full time teaching position (he also presented that the small geographic area where I lived made it more difficult due to limited job offers) thereby in effect making my teaching degree useless.. although I was told you cannot go to bankruptcy due to student loans for some reason (very good ones although to me) my loans were discharged. Therefore, unless they've clamped down or decide on an individual basis..look into it..also visit your college financial aid office and apply/beg for any financial grant/scholarship programs as these you don't have to repay. I actually got one small scholarship I truly believe because I was the only one or one of few who applied (my grades were just ok) also..go cc college first then 4 yrs...saves tons, easier transfer credits, etc. I've since helped/advised students based on my experiences. Also, if there is any disability you might be able to get loan(s) cancelled. I wish you all the best. My heart goes out to you.

Commenter: mindy

i suddenly stumbled upon this show, i was planning on getting a student loan to go to NYU since i thought, i would get a better job but seeing this, i don't think its worth it. It has been an eye opener, i think i'd rather try and pay the bill during a semester monthly.... i just wish they would provide some advice or suggestion at the end.... Also, why don't they teach about this at school and make it mandatory.....

Commenter: Corrie

I think people need to start looking more at technical programs rather than University degree programs. Community Colleges have great programs that can prepare people to get real jobs. I got an Associate's degree in Nursing for example and don't have the debt. I think we need to shift the focus and the idea that you have to have a degree to get a job. ...

Commenter: Ric

It's not the banks, parents, or governments fault there is an exploding student loan problem in America. Remember "life is choices" and "choices have consequence". That doesn't change just because students want a loan. Of course "buyer beware" also fits the situation. Think... is your education worth the cost? That is always primary consideration before ever taking out a student loan. Like any business model, factor in student loan true value to end result. Most student loans show little if any advantage in the end game. Student loans make life easier, but not always better (longterm). Student loans maybe too simple to get. A friend of mine once said it took him 5 years to graduate with a degree that qualified him to do absolutely nothing. Is that the schools fault? Is it the banks fault? Personal responsibility for your choices is key to having a good life. Every good choice you make pays you back ten times over. Every poor choice you make likewise will stick it to you ten times over.

Commenter: Thor

OK, my kid just finished college with his PhD. While going for his BS and Masters he kept talking about taking out a student loan to help pay expenses. I'd talk him out of it. Struggle now, not later. One quote he told me was something like "a kid who isn't smart enough to pay for college, ain't smart enough to go to college". We're not rich, making \$39k. He worked hard, suffered a little and graduated owing nothing. It can be done, so suck it up and do it yourself. Remember, pain is part of life, misery is optional.

Commenter: Mike

I have Sallie Mae and I am stuck at 8.5% on an original 60k\$ loan -- when I am

set and done paying they will make 120% off me (also know as rape). Luckily I do have a job but 45% of my monthly income goes to my loan payments.

Commenter: mother of student with huge loans

I think this question is offensive from the get go. We encourage our children to do the best they can, reach the highest level of education they can, better themselves the best we can and then make college utterly unaffordable without massive loans. If we truly believed in an educated civilized society all education would be free. How many students' full education could have been paid for by the amount squandered and lost on Blackwater (we should probably call them Wastewater) and other so-called contractors. My daughter will leave graduate school with close to \$100K in debt, and that doesn't count the part of her undergraduate debt for which I am responsible. Her education has been worth every penny. She is in a field which has much to offer society, but is not law or medicine so she won't be making big bucks any time soon and will have this debt for many years to come. I find it quite a contradiction that those people and politicians who purport to care so much about children and our country are so unwilling to pay for the things that will most assure a strong democracy - an educated and financially stable population. It's time to put our money where our mouth is, and spend our national treasure on our greatest national treasure - our children!

Commenter: \$200,000 in student loan debt

Last year I was a happy and hopeful law school student. This year, everything has changed for the worse. Even though I work full-time as an attorney, I can barely afford to feed myself.

My student loan debt, a hodgepodge of private, Stafford, Perkins and consolidated loans totals approximately \$200,000. For the private loans, I am currently on a 30 year repayment plan. The total monthly due is over \$500.00. For the federal loans, I am taking advantage of the new IBR (Income Based Repayment Plan). My payments are approximately 350.00 per month. Unfortunately, my monthly net income totals less than \$2000.00. This means that nearly 50% of my income goes to student loan repayment. After these loans, rent, bills and car expenses, I have less than \$150.00 for everything else.

I've postponed raising a family and buying a home because I thought higher education would grant me greater economic resources and stability. The truth is my paychecks help to make banks rich while I go to bed hungry. I don't mean to sound bitter, but I just don't have much hope right now. Everyday is a constant struggle to make ends meet.

Commenter: stuggling graduate

Finish your degrees no matter how much it ends up costing - because if you don't then you just threw away 100k. You're more likely to get a job with a degree, so just do it. Also talk to your financial providers, there are plenty of programs to help get the government to pay for your schooling after the fact - or at least help reduce the amount you owe. we shouldn't be responsible for the ridiculous tuition that universities and college charge. For people going into public positions such as teaching, police, firefighters, working for jails, etc. there is a program called public servant forgiveness which helps people pay off their debt in 10 years - and not at high monthly payments either. Also forbearance - not deferring - allows you to lower your monthly payments to something reasonable, however you still have interest collecting but it's still an option. This situation really stinks but we're in it together - just make your payments, don't just leave them to collect dust because that's where the real issue will come in, because every payment missed results in higher interest rates which means less money is put directly to the principle balance. Also remember there are some jobs out there what actually want to pay for their employees to get educated, it'll take some research but there are options, don't give up hope.

Commenter: Angela

It's just immoral to charge so much interest on student loans. Why do they even allow it? \$\$\$ of course ...

I was much better off working at Subway. At least I had a job and most of my money wasn't being eaten up by the bank.

I live in Canada ... was never informed of the risks, only buttered up with the advantages and told that it would be worth it. Yeah right ...

Commenter: Peter Theis

What about the idea that education should be a right, not privilege?

We should attacking this very idea of ownership and debt.

How is student loan debt, or any large debt, any different than the debt bondage that slaves went through once they were set "free"?

Debt slavery is alive and well in the United States. As is the immorality and illegality of "usury."

It's profits before people, and thus is the insidious trappings of capitalism and the inherent sickness it brings.

Commenter: completely outraged.

My situation is much worse than her's I attended The Art Institute of Philadelphia, from January 2006 through November 2009, I have 120 credits completed towards a 180 credit bachelor's degree in Fashion Marketing. I withdrew from enrollment last month because I am still 60 credits from graduating and saw that my student loan debt is over \$100,000! I could not stomach staying any longer and risking going over 200 thousand or more just to finish a bachelor's degree! I am from a low income background and had absolutely no prior experience borrowing for education. I do not know what to do, my grace period has just started as of about 2 weeks ago I believe. My total loan debt is \$103,117.22 and I have no degree, just a lot of credits and I am unemployed.

This education is all but worthless and I do not know what to do, I thought that going to college was something that would change my life for the better, it has ruined my entire life please help!

Vincent.

Commenter: Bonnie

I have a \$82,000 defaulted student loan, I am a school teacher, I cannot pay this loan, they want to take 1/3 of my take home pay. I cannot pay this amount and still live and raise my son. I am tired of crying...

Commenter: Stephanie

This video is so scary... I've already taken out 3500 dollars just to go to a community college. I have a one year old son and could fully identify with the woman. For me, loans were the only way to avoid a dead end waitressing job and provide for my son without giving him up. I'm currently planning on majoring in journalism and wonder if I'll ever be able to provide for us independantly. Debt slavery is real, and its miserable thinking that the government is preying on our best and brightest's dreams of creating a future for ourselves....

Commenter: Alex

I have worked in Higher Education for 15 years. Worked in all areas of Student Services. In a class I taught call Academic and Life Skills I spent at least 5 hours talking about money and finances. I have seen too many students take on mountains of student loan debt by attending elite private colleges and get a degree in a traditionally low paying fieled such as teaching. Its really sad that the student wasn't warned.. or at times they were warned but didn't care. While educational loans are justified as they are an investment in one's future, let teh buyer beware!

Commenter: Josh

Matt-Do you remember your freshman year when the prof said 'look around you because those students will not graduate'. Thus, quite possibly a large number of those carrying student debt do not have a degree.

Commenter: Kathryn V.

My student loans have ballooned like crazy (I went from 60k to 100k over the past 4 years), mainly because I can't find any well-paying positions in my field. I've been working as a graphic designer, but \$10 an hour doesn't help much, especially now that my hours have been cut back drastically.

Right now my parents are covering my loans because there is no way I can pay them.

The real shame is that my Nellie Mae loans are nearly impossible to consolidate at a lower interest rate. I would be happy if I could find someone to buy them and lock them in at 4% - rather than the 9 and 10% (and this can go up and up). Also, shouldn't we be worried that the two kinds of unforgivable debts are student loans and child support? Because obviously those of us with student loan debt are on par with negligent parents.

Commenter: Rachael

In my six years of repayment (minus a six month debt-burden forbearance I took in order to participate in an intensive continuing education program which cut my pay 50%), my \$86,000 of student loans have been paid down to \$81,000. I pay on time each month a total of \$630.50. Do the math. $(\$630.50 \times 12 \text{ months}) \times 5.5 \text{ years} = \$41,613$. WOW! What a gift I've been given! I've paid \$5000 in principal and \$36,600 in INTEREST! Someone is getting their pockets lined by my education...it's not me!

Student loans are a racket aimed at keeping the poor poor. They keep educated working professionals out of the middle class, from having children, owning homes, starting businesses, saving money for their futures, or from changing careers.

I would have been better off NOT pursuing my career in healthcare and continuing to work remedial jobs for mediocre pay.

Commenter: Andrew Pecota

Story Idea! There's currently a Supreme Court case in the works regarding the restructuring of student loan debt in Chapter 13.

I think it's ironic that the "swing vote" on the court, Anthony Kennedy, is an

adjunct faculty member at a mediocre law school=McGeorge Law school in Sacramento, CA. As noted by the last poster, law schools are some of the worst offenders in terms of tuition inflation.

I thought there were conflict of interest rules that would prevent sitting justices from participating in cases in which they had a financial interest. Isn't getting paid by a school that gets its funding directly from student lending companies create a conflict of interest when a justice rules on a case involving the student lenders?

Commenter: Matt

the report says that about 25% of the country has student loan debt. I find that a bit hard to believe considering only about 26% of the country has a college degree.

Commenter: Tired

I work in financial aid. I work very hard to warn parents and students of the realities of student loans. I provide the arsenal of knowledge I possess, and even with all that information, some people still make unwise choices.

College costs too much. True. Lenders aren't always forthcoming regarding the terms and conditions of their loans. True. Borrowers don't always understand (or care) about what they are getting themselves into with loans, and don't always make the best choices regarding their educations. True. These three things have created the "perfect storm."

All three have to be tackled, and all at the same time if we want to see some real change.

Commenter: Sheri D. Wahlen, MD

I am a 48 yr old woman who trained as a family physician in the 1980s, and now am disabled due to a genetic disorder that makes all my bodily structures fragile and heal slowly and poorly. My multiple orthopedic problems which haven't healed properly have taken their toll and I am no longer able to keep up the pace family physicians need to maintain to make a living. My difficulty now is that I make too much money from Social Security to have my student loans forgiven and the interest just keeps piling up. One of the companies that held my consolidation loan ran up the interest by keeping me on perpetual forbearance, so, while I borrowed less than \$100K and even paid the whole mess down to less than \$25K when my health failed, I now owe well over \$100K. Of course, it affects my credit, as did the impoverishment I was required to prove to qualify for straight Social Security/Disability.

I think it's atrocious that I sacrificed my health and well-being for patients by practicing in a specialty that emphasizes providing health care for people WITHOUT demanding a high salary, and here I sit, unable to work, in pain much of the time because I keep acquiring new orthopedic injuries, and there is no way to get out of this horrid, stressful financial hole. And how the loan servicers talk to a sincerely disabled person who not only worked long hard hours to take care of other fellow citizens--many downtrodden themselves--but would continue to work that hard if I COULD. Don't even get me started about the YEARS I spent not being able to land a steady, full-time job with benefits because employers didn't want to pay insurers exorbitant rates for health insurance for me and about how fellow physicians deliberately mismanaged my health care . . .

Commenter: RK

Instead of complaining, we should ask what can help Gina (and other like her) now? Gina does have some options, at least for her Federal loans. She should consolidate all of her Federal loans through the Dept of Education. This will get her loans out of default. She should apply for the new Income Based Repayment Plan. Some will not have to pay anything.

<http://www.nasfaa.org/publications/2009/anibr061209.html>

Once she finds a public service job, she should apply for the Public Service Loan forgiveness program which will forgive the balance of her loans after 10 years of repayment.

Commenter: D-Rod

Why didn't she ('Gina') call her alma mater's financial aid office for guidance? Didn't she complete the required entrance and exit counseling session while in school? I do feel sorry for her.

Commenter: joe drader

What is the dollar amount owed by students in the USA for the number of students?

Commenter: Freedom

Many things are terrifying here but perhaps the most terrifying are the Empathy voids in people who cannot imagine any problems in the world beyond their own.

I have had good luck and bad and made brilliant decisions that were mostly brilliant in hindsight as were the really bad decisions.

To those few of you who have life working pretty well, don't sit too high on that horse of self satisfaction, Murphy waits for your most vulnerable moment, and

then you can only hope there are folk about with a lot more humanity than you have

Commenter: Ashley

I dont have a kid, I have a good job...but these loans are too much. Who can afford this with entry level positions out of college? Maybe once I have 5 years experience, but not now.

This is so discouraging, we thought we were doing the right and responsible thing. The way this is we cant enjoythe things we have done right...graduate, become a professional, added to society,...

Commenter: Corbett Alger

Great report. I'm wondering with so many students in default of loans, are there any positive figures reflecting people benefiting from student loans? (excluding doctors, lawyers, and the sort)...

Commenter: grad student

I am currently a graduate student/sucker at a school in a small town in northern California. My first year here, I got work study and Perkins Loans (lowest interest of all loans), but then for my second year I found out that I got no work study and only \$2000 in Perkins Loans! That means that I can't work on campus and that I have to take out more unsubsidized student loans. It's a very small town and there are very few, if any jobs available.

I know university financial aid departments tell students to not take out so many loans, but how do they expect students to pay for their extremely high tuition. It's kind of like the tobacco companies being forced to put warnings on cigarettes. I also question the ethics of giving work study and the good loans to students to entice them to agree to attend the school and then in the second year, cut the aid and force them to take out loans that are unsubsidized. Most of my classmates have been denied work study this coming semester.

Commenter: JP

This show gave a honest look into the world of student loans. Personally, I am going to have over \$120,000 of student loans to pay back once I finish college in 2011.

I try to only borrow for my direct expenses from the university and so far I have stuck to that principle. I utilize summer jobs to accrue enough of a savings in order to have spending money for the whole school year. My main concern right

now is to find a job that will allow me to pay back the debt within 10 years, and I still have 2 years until graduation. I feel like these loans have caused me to think too much about the long term. I want to be able to travel, and enjoy life once I graduate, but will these loans keep me grounded from going abroad?

Commenter: Tom212

Anyone looking at this story may want to consider one of the sources:

<http://www.lvrj.com/news/25845924.html>

Commenter: yikes!

i can't believe the number of the so called college educated participants on this blog and not one of you are pointing the finger at the schools. did you ever think to ask why tuition is so much? tuition rates have sky-rocketed past inflation rates and no one in the political arena will question the obvious issue here and that is high tuition rates. instead you want to blame the lenders who provided the loans. if you cannot understand the terms of a student loan, please stay away from mortgage loans. the interest rate on a student loan is more than a car loan. go figure.

Commenter: Bill Delano

Thank you for producing this piece... My heart goes out to Gina and Alice. I hope and pray that we as a country can come together to help those who have been blind sided by the banking industry.

Keep up the good work NOW. Talking heads and 30 second new's clips will never be capable of transmitting Gina's story with such fullness . Now is the time when we most need you guys. Thank you for the concern and care with which you continue show for your subjects and audience. -Bill

Commenter: Sara

Excellent program, but it needs to be far more grounded in the History of these programs.

A History would at least begin with LBJ's programs from the mid-60's, that mated up the Pell Grant program with Work/study subsidies to Colleges and Universities that at the time covered something like 80-90% of costs of State Colleges and Universities. Loans or small scholarships from HE institutions could cover the rest.

During the early Nixon Administration, policy changed, and Pell Grants were not

increased to cover inflation, and funding for W/S was dramatically cut back, opening the way for loans to play a much greater role in College Finance -- as the spread increased between costs and available grants, the Financial Industry walked into the opening with the Guaranteed Loans (not to the borrower, but to the lender in case of default). From the Nixon period -- early 70's to the present, Higher Ed has had huge inflation of costs, which in turn generated the market for larger and larger loans. It was also a period when HE institutions were encouraged by lenders to enter into preferred relationships -- leading to what Elliot Spitzer found when he brought cases in NY, essentially kick-backs to College Presidents and Chief Financial Officers and heads of Financial Aid offices. Yep -- my own investigations of this found such goodies as College officers getting leased Lexus cars, and invites to "conferences" in lovely 5 Star Hotels in Bermuda or Hawaii in mid winter to "discuss" financial aid. These preferred relationships also defanged the HE lobby in DC, it refused to lobby against the interests of the Financial Industry in all this.

Shortly after he was elected to the US Senate in 1990, Senator Paul Wellstone held hearings around the country on the issue of these loans. The 1994 legislation that started rebuilding the Direct Student Loan program was the outcome -- but in the end he pulled his name off the legislation when it was corrupted by additional protections for the private lenders.

Any real understanding of the problem also requires looking at the contributions of the Student Loan Finance Industry to Senators and members of Congress. There are two types to examine closely -- the direct contributions, limited to about 10,000 and the contributions to Leadership PACS, controlled by committee and party leaders, that have been used to defeat incumbents and candidates that got too close to the corruption at the heart of this, and of course to re-elect those close to the interests of the Student Loan Financial Industry. Eliminating the possibility that a former student who falls on tough financial times could discharge debt through bankruptcy was just one "favor" done for the Student Loan Financial Industry.

What Obama is doing -- increasing the value of the Pell grants -- eliminating some of the subsidies and the risk protection afforded the private Student Loan Industry is a good start -- but it does not begin to really address the problem. The real problem is overdependence on borrowing as the fundamental means of financing Higher Education. Perhaps it will take a crash of the 700 Billion toxic loan assets Banks have on their books to get the policy makers and educators on the same page, and invent a model that does not put graduates into interest slavery.

Commenter: Robert Zelikson

I think it is terrible that students graduate from school with in many cases with

debt loads the equivalent of a mortgage. I do think a part of the story is missing however; tuition costs have continued for many years to outpace wage inflation. In other words, over time tuition has become a higher percentage of an average parent's or student's salary. Increasingly larger loans are now required to fill that gap. The question is, what is the school's responsibility for this increase in the debt that students must now carry?

The other related issue is that schools offer little to no advice to the student on how much debt is prudent to carry. It would seem that part of the education that a school provides should include an explanation of the relationship between the amount of student loans incurred and the ability of the student to obtain a job with enough income to repay the debt.

Commenter: Liz

I really enjoy your show, and I think that you do a good job reporting the facts, but you are really off-base on this episode. I went to a private college, I have Stafford FFELP loans, Perkins loans, and more Stafford FFELP and private loans from grad school. But at no time in the last few years have I chosen to ignore my loans because I did not want to deal with them.

When I graduated with my BA and took a year off before heading to grad school. In that time both my Stafford and Perkins loans came due. I made my small payments, and worked three jobs to save money. After grad school, I began a career that would not pay well for a few years, so, I called my lender (that tiny phone number on the bottom of the numerous letters they send telling you that repayment is beginning soon) and spoke to them about consolidation. Mind you I was only 24, and still had the wherewithal to know that I could make my situation better.

My lender explained that I could consolidate my federal loans, but my private loan would be a separate payment, with a separate interest rate. Ok, note to self, you will have three payments a month...Moving on. So, I consolidated my federal loans that now were more than \$50,000 and prepared to find a way to make my payments more manageable.

I went to my lender's website and began to read about the payment options that they offered. One that looked appealing was interest only payments for 2 to 4 years. I figured that this would be a wonderful option for me, because it gave me 2 to 4 years to establish myself in my career, and begin to make the money that would allow me to make my principal and interest payments.

I am a planner, so I also asked what I would owe if I did not take part in this program. Note to self, write down these numbers and plan for the future...Move on. I filled out the application and it was done. Both my federal consolidated

loans for over \$50,000 and my private loan for \$30,000 were in interest only repayment for four years. With my salary of \$30,000 a year, I was able to easily make my \$135 and \$170 monthly payments. The second fluctuated over the years due to a variable interest rate.

I did not drive a brand new car, and I didn't go on lavish vacations, but I was able to pay the rent, car insurance, car payments, and my cell phone bill. Why am I so different from any of the people in this piece? I'M NOT!!!

Did you know that it takes 12 months to be considered defaulted on a student loan. Twelve months, one year, 365 days of ignoring that big pink elephant in the room that is the money you willingly borrowed for an education you had every choice in the world to say yes or no to. Education should not be an option, it should be afforded to every person who seeks it, but you cannot then disown the choices you have made and blame other people. The assault on the student loan industry is despicable. It is high time that we as American's stop living lives of excess, and take responsibility for our choices and our actions. An for the record, I don't work for a lender, guarantor or loan servicer.

Commenter: James Hayes

A large part of the problem is school decesion process and cost benefit. Students far too often make poor decesions on where they want to go to school for the major career they choose. If you are a English major and choose a expensive private school, you made a terrible choice. You end up deep in debt for the career major you choose. If you want a liberal arts degree and career path you MUST choose a public education pathway. The cost benefit does not justify a private education unless you got into Havard. Forget what school has a better program, in the real world it is what you learn there that matters. We have set the focus on students but the whole education process and education selection process is to blame.

Jim Hayes
Financial Aid Professional for over 20 years.

Commenter: Brigitte McDonald

Oh dear, where to start? This student's story was disturbing, especially because a young, innocent child is involved, but, obviously, it is not at all surprising this single mom is in so much trouble. In fact, it was to be expected. One bad choice after another is a sure way to guarantee failure. The student loan system is very flawed and should be fixed, but personal responsibility is the foundation of success. I wish her the best and hope she can get her life back on track.

Commenter: SallieMae Victim

Two things your investigation missed - one is an omen of things to come.

1. Sallie Mae is not "defaulting" loans. They are keeping them on the books past the guidelines. They are also reporting past due loans strangely at the credit bureau. Maybe bad loans are stacked up and they are trying to fudge the reporting numbers. This would hide the trouble they got themselves into by paying schools points and eliminating disclosure requirements for pushing their private loans.

2. When I got my loans at University of Miami Donna Shalala had just become president. She was in charge of the Department of Education under Health and Welfare. While she was secretary, it seems, the disclosure requirements (as to the nature of the loan), were loosened and the policy of paying points allowed. After Clinton leaves WH she pops right into a private university presidency. (!)If this is true(!)she sold allot of people down the river to get that job.

Commenter: Holly Wallace

I went back to college to pursue a law degree in 1999. I had already paid off my undergrad degree in biology. I worked for six years doing water quality research between degrees. In law school, I was told I had to focus on school at the expense of a regular job and that whatever loans I took out would be easily repaid b/c of my increased earning power. Total BS. Despite being a fairly knowledgeable person, I had no idea that alternative loans could not be consolidated until I graduated and consolidated my subsidized loans. I also didn't realize I would be stuck with the variable interest rate. "Luckily" I put a great deal of my living expenses on credit cards. When I finally started drowning in credit card payments, educational debt and daily living expenses (mortgage, utilities, gas, etc.), I was able to discharge 65k in bankruptcy. Like the person you interviewed, I figured my credit was shot anyway. I still have about 100k in student loan debt. I make about 40k/year as a small town attorney (with pension and health ins. included, so worth about 50k). I pay \$669/month in student loan debt, out of a total of about \$2,500 available to pay all my expenses...between 25% and 30% of my income. In addition to my full time job, I work weekends, but lately only get about 24 hours per month or less. So I try to make an extra couple hundred per month to pay my utilities or whatever. I don't use credit anymore, except the \$500 loan I have on my checking. When I did my bankruptcy in Jan. 2008, I told my colleague that student loan and credit card default was going to be the next thing to go awry in a big way. I know I am actually better off than a lot of people b/c I still have two jobs and own a home. I do wish that I could consolidate my private loans at a fixed rate though. They are killing me. I will be paying this debt (over \$600/mo. till I am retired). How can anyone own anything substantial or put away for retirement when you have to pay so much for an education. I remember when I interviewed for my second job, I was speaking to a

therapist at a residential treatment facility for kids and I said I always thought more education would mean more opportunities and financial security...but I was wrong. She understood exactly where I was coming from (most people I interviewed with for a second job thought my being a lawyer was a problem...at the treatment facility it was a plus). Just a note to say a certain degree doesn't mean more money...law schools aren't located everywhere, so it may be costly to move, take all the entrance exams and then licensing exams later. My first offer out of law school in 2002, from a small town, 2 atty firm in northern WI, was \$28k, plus 1/3 of anything I brought in over 40k in revenue. So to make 38K in salary, I would have to bring in 70k in revenue. I was also offered a trailer to rent from one of the attorneys. I knew I could never make my loan payments. So anyway, not every lawyer gets filthy rich. Some of us just provide legal services at affordable rates for the communities we live in...and even then, not affordable for everyone. But that is another story...

Commenter: Shelley

Thank you for doing this segment! I have worked in College Funding for many years and parents need to know about this tuition bubble.

Interesting note: Colleges only report Stafford and Perkins loan debt as their student's average debt. This is very deceiving as it is NOT the true debt as it leaves out the Federal PLUS loan and Private student loan debt. This is why we do NOT really know the TRUE average debt!

Commenter: frank

I have NO sympathy for stupidity ... I went to a State University and worked two jobs ... I also did not borrow more than I could repay under the worst circumstances ... I asked my parents for NOTHING and did not have a credit card or a new car until I could afford it.

This is NO different than the subprime mortgage debacle. It was caused by greedy stupid consumers, legislators and businesses. AND I AM PAYING FOR IT THRU GOVERNMENT BAILOUTS. THIS SUCKS !!!!!

Commenter: Jim in Texas

My first attempt at college was not successful, living at home and working part time. I opted to enlist in the Air Force and was able to attend junior college part time while still on active duty. After my 4 year enlistment was complete, I attended a state university with my GI Bill benefits, and a part time job working on the college farm. Shared a 2 bdrm 1 bath apartment w/3 other guys, ate a lot of sandwiches, didn't take vacations, bought used books, etc. I graduated with \$80 in my pocket - but no debt. Why don't some of the kids check into serving their

country, and be rewarded with college assistance? State colleges and universities are not bad places - just cheaper! And study a field that will enable you to make a living wage. Life is all about choices. Make good ones.

Commenter: David from Illinois

This crisis made me reflect on the way we live. It is interesting how we as citizens and our own country have all fallen into this trap of borrowing money. We want everything and we want it now. In order to get it, we must borrow money. Why are we like this? I have met people from other places - particularly places that are not economically stable - and they are pretty averse to the idea of borrowing money. For them, you only get what you want after you work and save money for it. We all must face reality and change our ways.

Commenter: Janell

This is what I find terribly troubling.

I cannot get a loan for a car or a house without a co-signer due to my high income to debt ratio, even though my credit score is well above 700.

I cannot get food stamps or any other aid since I make income well above the poverty level, but the programs do not consider that if you add all my income and subtract my loan amount I make negative money.

I have life insurance that in case I die my parents are not suddenly in the hole \$110,000 in private loans. I pay for disability insurance, which will pay my monthly loan payments in case I cannot.

I find it troubling that there are individuals out there who are so ignorant saying that it is the student's fault for taking out private loans. I was taught the value of an education in order to better myself, to have a better life than what my parents' had.

Thankfully I only had \$15,000 in undergraduate debt due to scholarships, grants, work study and having 3 part time jobs in addition to being a full time student. I then decided to become a doctor. Thankfully I have a job and I am able to make the payments monthly on my loans, but my federal loans are under the ICR program and my privates are at the lowest level, which still totals around \$1000/month.

I am a responsible individual. I have consolidated all of my loans under one lender for federal and with another lender for private. I keep track of my interest rate and signed up for automatic withdraw from my checking account in order to lower my interest rate 0.25%. It saddens me to know that there are others in my shoes and others who are struggling, yet our tax dollars are not aiding those who are really struggling. Yet our tax dollars are benefiting the CEOs of these companies receiving bailouts as well as individuals who abuse the welfare system.

Commenter: In Debt

After more than a year of applying to any and all jobs (including the White House -- desperation!), I finally secured a part-time temporary job last month (no, not at the WH) a few days before graduating (Master of Public Policy). Unemployment drove me to earn this degree. I had no choice but to take the full amount of the loan that was offered each semester because I needed it to pay my rent. I thought for sure this degree (and a very high GPA) would guarantee me a full-time permanent job somewhere, but still no luck. I earn just enough to pay my rent and a couple utility bills with the part-time temp job, which ends in a couple months. First school loan payment is due in December. Haven't lost hope yet, but I'm guessing the feds and the debt collectors will have a hard time tracking me down if I end up in a homeless shelter.

Commenter: Amy

If there is approximately \$700 Billion in outstanding student loans, the government should act responsibly and take the Omnibus Spending bill and forgive ALL student loans... There is limited information for students in University Financial Aid Offices across the country. It is essentially a leech styled system where students are victims of the University. You are indoctrinated from a young age that an education is a must; however, schools have an opportunity to throw students into the lions den of financial institutions that operate under unethical situations.

By the way, I have almost \$82,000 in student loans... I love my education but I hate the price tag that accompanied that education especially when accompanied by the lies that other generations have offers and corrupt financial institutions.

Commenter: tiffanybianca

i have over 100k in student loan debt...and thats only undergrad. how am i supposed to support myself after paying \$999/month or \$600/month interest only? im unemployed, just got evicted from my apartment and now im paying rent to live at home with my mother. this is definitely not where i thought i would be! im confused, frustrated, lost, angry, and so many other things. why is it that colleges (the private ones) can charge students 25k per year for tuition and room and board? and increase tuition costs every semester? i guess its all my fault for picking that institution :(

Commenter: Kathryn from California

This economy has put a spot light on the repayment holds on student loans. -To go that is the point she wishes to be a tax payer given the opportunities she strived for by completing her education-. I am an unemployed college graduate who will be facing student loans soon. Not to mention a private loan with a co-

signer who must joint in my angst. I did it the right way! I raised my children, payed for a vocation school to be a unlicensed health care worker, then was employed in the field for 20 years doing most tasks of a nurse without the pay, responsibility, and/or prestige. I entered a Nursing community college, after 2 years of pre-requisites and entry into the nursing school lottery 4 times before getting into the program. The word was we will have be in a nursing shortage. With a mortgage payment I had to continue to work part-time, which 1/2 of my paycheck was paying for my medical insurance taken out each pay period. Nursing school consists of theory and direct patient care, these demands made it difficult to work within my scheduled hours (grave shift) in a Level I Trauma unit- County Hospital. I had to take out student loans and worst of all quite my job to cash in my retirement. My loans are \$23,000. not to mention Credit Card debt that helped pay the bills. I graduated and jobs are scarce for New Graduate Nurses, programs have been cut from the hospital. I took a risk for the American dream. Those of you who question college in general better think twice and be glad for the caregivers who have sacrificed their finances, and families to become the Professionals that take your life in their hands to save you- Be grateful for their hard work in getting that degree and licenser.

Commenter: Paul

I went to engineering school in the 1960s and my wife went to a teachers' college. We both took multiple student loans to finance expensive educations at small private colleges. After college, I was an USAF officer for 20 years and worked in the aerospace industry after my AF retirement. My ex-wife worked for 30 years as a public school teacher. Both my ex-wife and I are now retired and have pensions and health care that will last until we die.

Our children were encouraged to be anything they wanted to be - within reason. As they grew up, each played multiple sports, learned to play musical instruments, and attended church regularly. When they went to college, two of three changed majors. The eldest changed her major from electrical engineering to mechanical engineering. The second changed his from petroleum engineering to aerospace engineering. My youngest is now in college as an astronautical engineer at the USAF Academy where her monthly stipend doesn't seem to last as long as the month. The first two children took multiple student loans, and we're now considering loans for my AFA cadet to tied her through the low spots.

In all five cases (2 parents and 3 children) we had a plan to pay back what we borrowed before we borrowed it. It's called a career. As sad as seeing the unemployed social worker trapped in debt-hell was, it only reinforced my belief that naive children are lied to by telling them that it they just go to college everything will take care of itself.

Social work, art history, liberal arts, communications, and all the other fake

degrees offered by colleges to attract kids who can't make it in a real college program are similar to mortgage borrowers who borrow beyond their means. They buy a too-big house with no money down and no means to pay off the balloon payment when it comes due, only in this case the too-big house is a too-big dream.

If the social worker couldn't make it in a nursing, teaching, accounting, engineering, architecture, or even RTF (radio-TV-film) program, then she shouldn't have wasted her time and money on a meaningless bachelor and master degree. Now she is the master of unemployment and the only bright thing she took from college is her innocent daughter. Had she been counseled by a parent, relative, or high school teacher with some honesty and in reflection of her aptitude and ambition, she would have learned to type and answer phones and saved herself being raped and \$70,000.

Why do we believe that everyone in America lives in Lake Wobegon, where all the children are above average. If you can't obtain an education that will pay for itself, then you'd better find and marry money (a Mr/Mrs Degree) while at college.

I hope every guidance counselor, parent, grandparent, aunt or uncle sits this year's high school graduates down and shows them this episode of NOW. The world already has far too many wannabe fairy princesses, ballerinas, and professional athletes laying in the credit gutter because they chose to go to college when they should have gone to work or wasted their college-level talent on a meaningless degree.

Keep telling it like it is, even though I think you missed the real point on this episode. Your portrait of the social worker was that she was a victim of mean and evil lenders. She is really the victim of an educational system that puts a large premium on keeping kids in school until they have the student's last dollar, and then some more. Colleges promise far more than they deliver. Even your victim said in the piece, "If I could give them back their degrees and make the debt go away, I would."

There's the kernel of truth; the pearl of wisdom.

Commenter: Jeff

I have 2 daughters in college, one mid way thru, 1 starting in the fall. We are very fortunate, the older daughter has only about \$7k in loans so far (\$21 K a year so far) the new hs graduate just got a free ride in a local community college

This hit so many nerves on where they could be after collge

Excellent report.. Out hearts go out to the mom featured in the story as well as the young man with 18% interest. It is all almost criminal

Commenter: Robert Baillie

I hope the law is changed to allow students like the one in this show to eliminate these debts through bankruptcy.

If that does happen, then, sadly, the only remedy I can think of is to move to another country where the debt collectors have no jurisdiction.

I don't know what the law is in, say, Canada. But it might be worthwhile for people like her to find out whether she would be safe there from U.S. debt collectors.

If this student got a job offer in Canada, became a landed immigrant, and move there, she might be safe. Plus, she would never again have to worry about medical expenses.

But unless the law is changed, she and many others will forever remain part of an indentured servant class.

Commenter: Pamela

As a single mother, I was deeply touched by Gina's story and contemplated what might have happened to me and my son had my job ended while I was the sole provider. Is there a way to help Gina cover some of her expenses?

Commenter: JT

I found the interview you did with the single mother in debt most insightful. As much as I feel sorry for her, she seems to have no sense of responsibility for her behavior and has a sense of entitlement to be bailed out for her decisions if they go badly. Nobody made her take out student loans or the type of loans she took out. Nobody made her select the major she did. And as tragic as her sexual abuse is, nobody made her keep her child instead of putting her up for adoption. The only real victim in this story is her child.

I am not trying to single her out; this attitude of irresponsibility and entitlement is pervasive in our society. Wall Street acts irresponsibly and gets bailed out. Car companies act irresponsibly and get bailed out. Homeowners act irresponsibly and get bailed out. Now students are looking to be bailed out from loans they took of their free will. This culture of irresponsibility will put this country into crisis after crisis as the country continues to decline. Personal accountability and

acceptance of consequences for actions are the only solution to restore this country to greatness.

Commenter: Alice-Salt Lake City

Thank you for this weeks show-I too, am a single mom who was just thinking this morning that there are probably thousands of other single moms right here in my own city that just lost their jobs and cant afford to pay rent. I happen to have an extra room that I could rent out to someone in need, and was thinking about trying to find another single mom who could use the help. Right when I was thinking about it, I turned on the TV and your show was on. It is so sad to see that women with children are being advised to move out of their own homes just because their student loans are in default. My student loans are also in default, and I too understand her situation. Luckily I do receive enough child support to actually pay my rent in full each month. But I do realize that most/many women dont even receive ANY child support and have no where to turn when they loose their jobs. So, now after watching your show I have decided to use one of my rooms here in my house and try to find a single mom who could use the help in offering free housing to her so she can begin a new life and get back on her feet. Thank you so much for selecting this topic for your weekly show---and I encourage any other families who have spare rooms in their home to try and do the same!

Commenter: Mary, a parent

Excellent report and appreciate the accompanying information links as well. I hope you leave these up for a while.

I was shocked to find out a company could buy Sallie Mae old good name for \$5MM - I did not know that...

I hope Congress acts quickly enough to make a difference in options to meet my son's assistance needs.

Commenter: Denise

Gina and her little girl brought tears to my eyes, especially when they find themselves homeless. The student loan industry should be ashamed of themselves for offering these loans without informing the student of the amount they will be responsible for after graduation. I don't feel that the student realizes the amount they borrow and what their payment will be once they graduate. They are so focused on the a piece of the American Dream and the only way to achieve this dream is through a college education. The other point I want to make is that I have been a social worker for 27 years and social workers are very important in many aspect of the work arena. Tell a hospice social worker that sits

with a dying hospice patient and their family that they should have explored a more lucrative field or a police social worker that must enter a crisis situation to assist a family that has lost a loved one in a driveby shooting that what they do is not important and necessary. Most jobs in America are middle income jobs that pay in the range of 35,000-60,000 per year and social worker is one of those jobs. I can't believe that even on that salary a person could pay a loan company 1,000 a month and still pay rent, food and transportation.

As far as the loan companies, I feel, that they do not have the best interest of the student at hand, only filling their own pockets with stolen money. Great job on this program. Hopefully it will bring about some necessary changes in the student loan industry.

Commenter: Nathan

I was touched by Gina's story. She seems to a victim of circumstances, and it is outrageous that she is being exploited by the loan sharks. I hope she can get out of this quagmire soon.

We need governmental regulation to monitor lenders, improve information to the borrowers, and strengten borrowers' rights. With respect to student loans specifically, cut out the "middle-man" and let the government lend to students directly.

Commenter: Carol Twedt

It is virtually impossible to climb out of a lower economic environment without going deep in debt. In my own family, my daughter is in her 2nd year of law school with a growing debt load climbing into the 6 didget range. I am in college as well trying to raise myself to a higher level in my workplace which will not happen without a degree, so of course I too am in debt and climbing toward a 6 didget debt. If I for myself do nothing I will remain in a position that will not allow me to take care of myself as I go forward toward retirement. So the wheel turns, stay where I am no debt, go to college, get in debt to climb up the ladder to make enough money to survive and be able to pay off the loans that afforded me the opportunity to rise to another level in the workplace. In other words, I am buying myself a job!! Something wrong with this picture???

Commenter: Jeanne Sansbury Bell

I am not upset at the principal amounts owed on student loans, but the usurious interest rates which are compounded exponentially. Then on top of these insults on one's quest for higher education come the abusive harassment of the collectors who gain even more added fees and assessments. When will students be able have "simple" loans?

Commenter: Barry Buchanan

This bubble was created by an educational establishment that acted to saturate all skilled work with an oversupply of labor. Instead of being a market maker, education has been a market follower. The result is predictable: declining value in the educational certification marketplace.

Commenter: Barry Buchanan

The student loan crisis is not just some isolated economic event within an otherwise healthy economy. The failure of leverage against the economic crash is at all levels of the economy. Assets of all kinds are in process of being revalued. Stock portfolios, real estate, commodities, and educational certifications are valued by supply and demand. Generalized suppression of economic activity is directly related to monetary supply.

Since the education bubble has burst, the debt holders should swallow hard and do what is necessary: write down and revalue their uncollectable assets.

The federal government and the educational establishment also have roles to play. The educational establishment should not be held harmless in the coming financial adjustment. Their over-valued products need a price correction.

The federal government has 2 roles. First, leadership. Infrastructure and other public works should move to the top of the priority list for the stimulous effects. Equally important, though, is that these project provide the outline for what our society values.

Second, the federal guarantees should be uniformly applied against discounted student loans of all classes. Neither Sally nor BOA should make a killing or take too much of a bath on the socially desirable business of making education available to our populace.

Commenter: Ogbios

That show was awful to watch. The program was done well; but very disheartening. I never had any student debt leaving college. But did live with people who borrowed money. So have seen the system in action. The main problem with the current system is that students are being psychologically manipulated into believing they're suppose to achieve higher education. The simple reality is that most jobs require no higher education than high school.

Many employers are now requesting degree's and diplomas where no required education should be necessary. This is pushing further bias into the social mentality that a higher education is required. The main thing higher education is doing for the US, is making indentured servants. While further breaking apart the

atomic family structure.

Someday I may end up moving to Venezuela. I'd prefer to remain a Canadian. But if things remain the way they are. I'll just have to go their to develop weapons.

Commenter: Rusty

"Your show is shamelessly one sided." Really. Only a person, who has support for virtual unlimited income or is from a rich family would make this remark. My own father attended Syracuse University from 1940 - 1943. He had 3 scholarships and paid the rest by working. No help from family and it cost him about \$2500. I wonder what it would cost now?

State universities are beginning to prefer out of state students, because they pay higher tuition, forgetting that in stater pay the cost of all these institutions.

I have a very technical background, but cringe at the fine print on loans and all the more knowing how these firms have lobbied Congress for programs that favor them. Sallie Mae is one prime example. While Tom Delay was majority whip he was lobbied against direct loans from the government that Clinton had put in place. I'm no Clinton fan, either.

A former Senator from my state, Spencer Abraham pushed legislation that allowed more H-1B visas for foreign workers in IT. How many American students signed on the dotted line not knowing this?

Commenter: Anonymous

I see the Sallie Mae PR people have found the comments section of this posting.

Commenter: David in Central Oklahoma

Student Loans can help the less fortunate like myself attend college. Without student loans and government grants I would never have attained a college degree. I worked long and hard to pay the student loans back. Sallie Mae sent letter after letter trying to get me to "extend" the term of the loan. I paid as much as I could and paid the loans off in less than 10 years. However, I was very fortunate to have secured a good job as a computer programmer that allowed me to pay the loans off early. No new car for me, I drove my old car until it literally quit and then only purchased a used one. Unfortunately, in our capitalist society, we must always remember, "let the buyer beware" and "there is not such thing as a free lunch". Everything comes at a cost. So students, read and be informed of

what you are getting into when applying for a student load....Read the fine print and best wishes on you educational dreams.

Commenter: Jay

Thank you to everyone who watched this episode and PBS for also investigating this issue.

THIS IS NOT A SMALL ISSUE. Please everyone, go to STUDENTLOANJUSTICE.ORG and read the thousands of horror stories about students going through the same mess. Please get involved. There is lack of student protection.

I sympathize with Gina, because I'm going through the same things (as well as many more students) with these student loans. We are just two of thousands. There is no doubt in my mind, if the lenders would have worked with her in lowering payments and lowering her interest rates, then she would not be in this awful situation. One thousand dollars is an extreme amount for a student loan payment. She didn't do a thing wrong by getting an education...and she shouldn't be punished for it. We want to pay back what we owe, but not three times, four times, five times what we borrowed.

Please watch these interviews about this crisis and get involved. This is our future and our children's future.

<http://www.youtube.com/watch?v=1463LHDLGvQ>

<http://www.youtube.com/watch?v=WZOtw5cilUo>

http://www.youtube.com/watch?v=pEFvT48_kaY

<http://www.youtube.com/watch?v=wN1wdgtcpx8>

<http://www.youtube.com/watch?v=oOZd3L4G9MY>

Commenter: Donna Miller

I know that she is just one person, but I was so saddened by the story of the young woman whose struggle you profiled. When I went to college, in the late 70s and early 80s, loans were reasonable. I was able to go to college and pay back my loans in under ten years, without being a lawyer or banker.

If there is any way I could send her some money through PBS--while of course, preserving her anonymity, please let me know. I don't have much money but I

couldn't stand the unfairness of the difficulties she and her daughter were facing. Please let me know if I can send her some money through PBS. Thank you.

Commenter: Just Sad =(

I can relate to those who are struggling with Student Loan Debt - I'm one of 'em.

I thought that going to College or a University would change my life for the better, or better yet get me started in a career. Boy, that's what I get for being enticed with Ads; they lure you into deception - that's the American way, use deception, and when you're stuck in the puddle well, you're stuck. It's sad actually.

I have been through 10 - 20 - 30 interviews while in College and haven't lucked out in any. Be it for Data Processing or Computer Programming (and I can forget looking for something in the Interior Design department and got a Bachelor's). I have 4 degrees: 3 Associates and one Bachelor's, and still the job market is lousy when it comes to applying the field or skill that I was in.

I'm now a caregiver to my mother who have been in a car accident and helping her get around is hard; even for me with no means of income. Getting by is tough. I don't want to even think of how much I owe Sallie Mae/the others -- I believe I'm right down to \$100K with no leeway in sight. I just received an offset from the Federal Government - US Dept. of Education and they get to garnish me of half of what I get, then on top of that, they took my stimulus to cover the offset... Is this a great country or what? I tried to write to Barack Obama about what happened -- no response as of yet. I don't know what to believe or what to do now.

The only option I have in dealing with Sallie Mae is through Forebearance. I'm poor and in the poverty stage, I cannot cough up 1,000 and "deny" paying my rent do do without dealing with these greedy loan-sharks (yes that's what I call 'em). It's hard it's really hard, and with the economy going the way it is, I don't see no solutions at all. Just fork up so many 1,000 of dollars of your hard-earned money and still be stuck, and be homeless for it? -- I don't think so.

The Government or Congress need to go back and re-write the Bankruptcy Law the way it was, it was re-done by the Republican Party to only make it harder for people who are struggling and no way out. If it ain't broke, why fix it!

I'll end by saying this: If our Government can give Bail-Outs to greedy Companies like SM and the others even down to Wall Street and let them off the hook -- even award them with Bankruptcy (can you imagine), then how come the citizens in this country get a BAIL-OUT? Nobody's perfect and we all make mistakes, but shall we be punished, and get no kind of leniency. If this is what they call democracy, then that's just plain sad - pure and simple.

To the students who want to get to College, a word of advice: Don't get suckered in to all the Ads about getting an education to better your life. It's a money trap that you cannot get yourself out of - if there is a glimmer of hope somewhere... My prayers go out to all of you who are struggling -- we need a miracle out of all this.

A Sad Poster.

Commenter: richard murphy

it is criminal what these lending institutions and corporations are allowed to do to these students, making them indetured slavesfor a long period of their life.

where are our legislators? are they here for the public (students) or the corporations?

the hibernian

Commenter: tw

Thank you for giving this issue the attention it so desperately needs. While watching this episode, all I could think was that you were telling my story. I too, came from a single parent home, grew up on welfare, and wanted a chance at a better life. I graduated three years ago, worked diligently to secure a job that would allow me to pay my monthly student loan balance, and was laid off in December 2008. I have not been able to find employment since. I have sent out 300 targeted resumes and not even Home Depot will hire me. My parents refused to help me pay for school, and now they will not help me pay my bills. I am in serious danger of losing my car and my apartment. Because of the choices I made as a teenager, with the help of my school's financial aid department (who recommended Sallie Mae), I will never own a home. I will probably die before the loans are paid off.

Thank you PBS and Robert Applebaum for making me feel sane. It's so nice to hear others say what I have been trying to tell people for three years. Sallie Mae lies, harasses, and steals with every chance they get.

Commenter: Justice

I found the interview you did with the single mother in debt most insightful. As much as I feel sorry for her, she seems to have no sense of responsibility for her behavior and has a sense of entitlement to be bailed out for her decisions if they go badly. Nobody made her take out student loans or the type of loans she took out. Nobody made her select the major she did. And as tragic as her sexual

abuse is, nobody made her keep her child instead of putting her up for adoption. The only real victim in this story is her child.

I am not trying to single her out; this attitude of irresponsibility and entitlement is pervasive in our society. Wall Street acts irresponsibly and gets bailed out. Car companies act irresponsibly and get bailed out. Homeowners act irresponsibly and get bailed out. Now students are looking to be bailed out from loans they took of their free will. This culture of irresponsibility will put this country into crisis after crisis as the country continues to decline. Personal accountability and acceptance of consequences for actions are the only solution to restore this country to greatness.

Commenter: tw

Thank you for giving this issue the attention it so desperately needs. While watching this episode, all I could think was that you were telling my story. I too, came from a single parent home, grew up on welfare, and wanted a chance at a better life. I graduated three years ago, worked diligently to secure a job that would allow me to pay my monthly student loan balance, and was laid off in December 2008. I have not been able to find employment since. I have sent out 300 targeted resumes and not even Home Depot will hire me. My parents refused to help me pay for school, and now they will not help me pay my bills. I am in serious danger of losing my car and my apartment. Because of the choices I made as a teenager, with the help of my school's financial aid department (who recommended Sallie Mae), I will never own a home. I will probably die before the loans are paid off.

Thank you PBS and Robert Applebaum for making me feel sane. It's so nice to hear others say what I have been trying to tell people for three years. Sallie Mae lies, harasses, and steals with every chance they get.

Commenter: Linda Cannone

Hope that the single Baltimore mother featured on NOW this week receives some help.

My heart goes out to her. Where's her bailout?

All she's guilty of is having hope and faith in the American dream. --Go to school, work hard, make a better life for yourself and your child.

What's wrong with America today?

Please update us on her story. Sadly, she's not alone.

Commenter: jackie

Regarding Student Loan Debt. My sympathy is with the young woman in the story that found herself \$70K plus in debt. I concur this is yet another "regulation"

need in our govt. loan process. However, here are some alternate thoughts. I too attended college and achieved an MA degree. I was not "advantaged" and had to rely on "some" student loan funding. MOST of my friends had loans as well. But ALL of us had jobs at all times throughout our BA schooling. While we needed some student loan funds, we NEVER considered it an option to not work and manage our living expenses, food and clothing. The loans were for tuition. If indeed this young woman allowed herself the luxury of full time schooling without work, she created some of her own problems. Such luxury was "unheard of" in my world. Further, once the BA degree was achieved, or all of us including me, we worked full time and achieved the Master's degree along with full employment. I'm guessing she maxed out her loan options because she was not diligent about assuming more economic responsibility during schooling. Living at home or with family, working, and full time work while achieving a Master's may not have been part of her equation. Who of well educated people would "pass" on their rent in order to pay a loan? She's young, but should be better informed or sought guidance. Just some thoughts. I do sympathize with her, but I overcame greater odds and still managed to achieve. Now...she needs to go get 2-3 part time jobs, move in with family or friend, room and board arrangement accompanied by babysitting while she works. There are many needy families that would partner with her.

Commenter: Beleaguered New York University Graduate

When will local and national politicians and bureaucrats become more than mere puppets to the billionaires? When will borrowers become active citizens with LEGAL RIGHTS - not passive consumers with FAR FEWER RIGHTS THAN MULTINATIONAL FINANCIAL SERVICES COMPANIES?

The Master Promissory Note 400, the document I signed upon consolidating several CitiAssist private student loans, indicates, "If I [the borrower] am unable to repay my Loan according to the terms of the Note, I may request that you [the lender] modify the terms of repayment." I have pressed Citibank staff to fulfill this promise since January 2009. I expected Citibank staff to demonstrate a willingness to adhere to the company's own legal contract by processing a request that Citibank modify the terms of repayment of my loan. Shockingly, for six months, Citibank staff have demonstrated disinclination and outright refusal to fulfill the company's promise. Citibank staff indicate that they do not intend to fulfill the promissory note's promise until AFTER I default on the loan - though the promissory note makes no such specification.

I officially complained the the Office of the Comptroller of the Currency, a federal agency. After taking three months to process my request, what was the OCC's response to me? A letter that copied Citibank's most recent correspondence to me - word for word. I find this to be despicable.

Commenter: Courtenay

This was an excellent report. A woman who wanted to get an education, support her family, and better her community as a social worker, has to act like a criminal by defaulting on her loan payments. If someone doing the "right" things is falling behind in the system, then either the system itself needs to be changed, or we must start admitting that our education system is designed to reward the wealthy and screw over another pool of "sub-prime" loan recipients.

Commenter: Jay

For the people putting all the blame on the students: is it right for a student to take out money for school and living and have to pay back quadruple the amount borrowed? No. I borrowed 30,000 for tuition and living, and at the end, I have to pay back almost 140,000 dollars. Why do I have to pay 110,000 more dollars? It's not fair. When I borrow 20 dollars, I pay back 20 dollars...not 100. The institutions are the one's who are supposed to inform us on interest rate and what we can look to be paying a month. I, and many others, were not informed of the 18% interest rate and 800 dollars a month payment. I have a four year degree that I took With Ed Financial, and the monthly payments are 125 dollars at a low interest rate...very reasonable. I work hard for what I do make, and I don't think I need to work that hard to pay 800 a month for a student private loan and have to live in my car. It's these private lenders that have the power to do whatever they want. It's the lack of student loan protection. If Sallie Mae wants to bump my interest rate to 50%, they probably could. Lack of student loan protection. I'm going to pay back what I owe, because that is the kind of person I am, but not an extra 110,000. For what? I only borrowed 30,000.

Commenter: klara

i was grateful to my country for the national direct student loans and pell grants that got me through college in the late 1970s. my education moved me and my siblings from lower income to middle income.

the interest rate was 3% and i only needed to borrow about \$3,000 to go to top rated universities, still it took 10 years to pay off.

i was appalled when the government added the for-profit middlemen. in the mid 1990s i actually worked for a "student loan guarantee corporation" who was also a lender and saw the compounding of regulations, red tape and interest rates.

higher education is simply no longer affordable for anyone who isn't already wealthy...and it's more than a shame, it's a disgrace. where's the level playing field?

Commenter: MB

My comment is to express complete support for Gina who is doing a great job under sh*

Commenter: John

Too bad the young lady did not live in Denmark where they give you a stipend to go to college with no tuition costs to the student. From health care to education we short change our citizens.

Commenter: MB

Hi, good work on this story. There is an important article about this issue called, "Are Students the New Indentured Servants?" by Jeffrey J. Williams, Dissent Magazine, found via <http://www.alternet.org/story/121955> You should talk to him!

He says:

"College student-loan debt has revived the spirit of indenture for a sizable proportion of contemporary Americans. It is not a minor threshold that young people entering adult society and work, or those returning to college seeking enhanced credentials, might pass through easily. Because of its unprecedented and escalating amounts, it is a major constraint that looms over the lives of those so contracted, binding individuals for a significant part of their future work lives. Although it has more varied application, less direct effects, and less severe conditions than colonial indenture did (some have less and some greater debt, some attain better incomes) and it does not bind one to a particular job, student debt permeates everyday experience with concern over the monthly chit and encumbers job and life choices. It also takes a page from indenture in the extensive brokerage system it has bred, from which more than four thousand banks take profit. At core, student debt is a labor issue, as colonial indenture was, subsisting off the desire of those less privileged to gain better opportunities and enforcing a control on their future labor."

Commenter: Dr. L.

I currently owe \$400,000 in student loans--250k federal and 150k private--which I used to get a PhD in Clinical Psychology. I currently make 57k/year working at a state hospital. I'm not too concerned about it, given the various loan repayment programs that are available. I pay \$650/month (interest only) for my private loans and \$750/month (soon to be \$500/month) on an income-contingent repayment plan for my federal loans. Because I work in a public service job, my federal loans will be forgiven, tax-free, after 10 years. That leaves the private loans, which I plan to make substantial principal payments on in the coming years. I

have seen little mention of these programs in the comments. And there are several other forgiveness options available as well.

Commenter: Michael

This was the finest news program I've seen in years. It educated me, touched me, and alerted me to a serious problem in this country I was previously unaware of. I'm only a casual viewer of Now on PBS, but this program convinced me both to watch more often and to donate to your show. TV of this quality is truly a public service

Commenter: Mike Smith

Your show on student debt told a very compelling but, sadly, not a unique story. Some viewers here want to blame the victim as, for instance, the one who suggested she should have waited to start a family. Did you miss the point that your lovely daughter is nevertheless the result of a sexual assault? Another writes that she made bad choices. That's true only if the American dream itself represents a bad choice-get a good education, get a good job, raise a family. I wish there was a link here where I could send her \$50.

Commenter: Douglas Noble

This is what they call INOVATION!!! Maybe people should go to work first then they would find out how hard it is to earn that they need to pay back. Education is going to be the biggest FAUD since sub-prime or the WMD. We don't teach people how to think or question anything or anyone. SEC was told 4 over 5 yrs that Madoff was a fraud but those Highly Educated Investgators couldn't be told anything. Brain wash by Theory's. A lemonade stand will teach business better than Harvard, all it does is provide social contacts of the wealthy. FYI Bill Gates knew how to thing and didn't need Harvards' piece of paper and look he is the Richest Man in the world!!!!

Commenter: Itiolair Gates

It is the student's responsibility to read all loan agreements before they sign and accept the financial aid. One should know about forbearance and deferment before signing the master promissory note. I feel her pain from what she is going through; however, there is no reason to not know these and other critical things before accepting such huge sums of money, especially when one knows that the money has to be repaid.

If the governments, state and federal, began supporting higher education at the rate they should, all of us would benefit from less student loan debt and a more academically-advanced populace (with a higher spending power, boosting the economy).

Commenter: Peter Theis

Student Loan Debt is the scam of debt slavery. Bailouts and bankruptcy available for bankers and Wall Street and corporations, but debt slavery for their "subjects," We The People? It is NOT just about doing the "right" (programmed) thing of paying back loans, it is actually about the fact that the RIGHT thing is no one should have to pay such huge amounts to get an education, or to have health care, or any other basic human decency/rights issues. There's a website called ReduceTheRate.Org and I say NO, not reduce the rate, make the whole thing free, as it should be. Period. Take money we waste horribly on the industrial military complex to pay for education. Take money we waste allowing credit card companies or crooked bankers or Wall Street vermin to profit grotesquely and use it to give people health care. No, it's not about tweaking the system to make it a more "fair" form of slavery. If we really think about, what is fair is abolishing these systems of debt slavery. We need to stop focusing on the symptoms of the illness(es) and start focusing on the root causes.

Commenter: Darren

This discussion of who is to blame for college students going into debt overlooks higher education's role in perpetuating the myth that its coursework is the best approach to gaining marketable skills. Let's get real. Higher education is largely concerned with preservation of its exclusive authority to convey professional credentials such as the very expensive MSW degree that your program's subject was conned into pursuing. The exploitation by the "education-industry" has long ago trumped actual learning. This mendacity is certainly where much of the blame lay.

<http://islandnotes.wordpress.com/category/education/>

Commenter: Rose

Of course some of the responsibility lies with the students and a part of the problem is the ruthless lending practices but I did not hear your story address the other big player in this travesty, the universities themselves. I am sure there are exceptions, but of the 5 private colleges that my son applied to all 5 expected him/us to take out loans totaling between 10 and 15 thousand dollars each year of his education. These loans were listed as part of his "financial aid package", since when did giving a student a financial yoke around their necks equal financial aid? Shame on the schools for listing it this way. Some of them actually list how much "aid" they are offering and then say at the bottom that you (the student) are responsible for x amount of dollars. Guess what, the amount they say the student is responsible for does not include the loans the college offers as aid. Gee, I kinda thought that if it was a loan the student would be responsible for

it...and some people wonder why these kids don't know how much debt they are getting themselves into.

Commenter: Tim Ryan

I guess anyone who borrows against their future is a fool but here is my story.

I was going nowhere, working at one job and another. I got re-involved in making art, specifically sculpture, in my late 20's early 30's. Everyone said that if I wanted to teach, to do something related to what I loved, I needed to finish a Bachelor degree then get an MFA. So I went back to school in Alaska only to find that all my credits had lapsed. 3 years to finish Bachelors degree = \$5000 loan.

Moved to California, sought residency, so I could go to UC or CSU system school and get subsidized education at that time {late '80's).

Got financially stuck in N. Ca. town, figured way to get out was to to apply to local CSU school, start on MA, then transfer to a school with MFA program. Oh yeah, Reagan stopped the subsidies, I became a father while at the school. Cost of loan = \$20,000.

Got accepted to another CSU school after repeated tries at various schools. Moved family to new California town. Got grants and scholarships based on my work. Got degree. Got one teaching job, parttime for 2 years. Cost of degree = \$20,000.

Broke up with partner, took whatever job I could find to support my child. Put loans in forbearance. Had to start paying in 1998. Have been paying \$360.00/month since 1998 and now still owe \$47,000.00.

Oh yeah, I'm 58 years old. Won't bore you with the bankruptcy I had to go through.

If any young artists ask me about taking out loans to go to art school, I tell them forget it.

Commenter: pb

I have over 200K in student loan debt as I study to become a psychologist.

If I take a graduated repayment plan, I will take 30 years to repay more than 450K.

Wait, no...I will take these debts to my grave.

Perhaps the best idea is to subvert the dominant paradigm with exorbitant

borrowing and allow the massive bubble to simple explode.

Let them eat cake, she said...

Viva la revolucion

Commenter: gb

What is the point of this sob story? Should tax payers be footing her bill?

Commenter: Loralee

Those commenters who argue that Gina lacked "personal responsibility" believe that because the truth is terrifying -- any of us can work hard and still fall short. Blaming Gina for something -- anything -- allows them to hold on to their ideology. Here are my more direct translations of what these people are saying: "She was too poor to attend college before she began her career. She should have floundered in a low-paying, dead-end job for as long as it took to save for college."

"Social work is admirable and all, but she needed a paycheck more than meaningful, important work (and let's be honest, social workers are just giving hand-outs to other deadbeats...)"

"An education is a 'thing' just like any other 'things' people want but can't afford." Lee even seems to be blaming Gina for her rape, or for not aborting her child.

Commenter: Mark. C., New Mexico, USA

This was an excellent portrayal of the plight of those burdened with student loans. However, while the program mentioned in passing the escalating costs of a college education as one of the causes for large loan balances, there was a failure to connect the dots in the opposite direction. Wall Street's "innovation" of securitizing mortgages flooded the housing market with "free" money, which, in turn, caused housing prices to disconnect from their underlying fundamental values. Any mechanism which eliminates the risk of default for the loan originator will cause inflation in the goods or services for which the loans are issued. In the case of student loans, securitization is also at work, as are the government guarantees backing Sallie Mae loans as described in your broadcast. Clearly the cost of a college education has been driven out of line with its actual value if graduates cannot afford to pay the loans off in a reasonable amount of time. Someone saddled with student loan debt for the rest of her life is essentially an indentured servant. No wonder Ms. Moss would like to give back the degrees and be free of the debt.

Back in the 1970s I was easily able to put myself through college without borrowing anything by working 20 hours a week. (I admit I had a much clearer

notion of needs and wants than many of today's students seem to have; the cell phone had not yet been invented, but I didn't have a home phone either as that was a monthly expense I didn't need and I spent my time studying rather than talking on the phone. Yes, I sound like an old man talking about walking ten miles to school uphill both directions.) College was affordable if for no other reason than there wasn't a flood of borrowed money being thrown at colleges, and educators and educational institutions knew better than to think academia was a venue for making big money and building monuments to themselves.

Reintroduce the notion of risk to lenders and they will stop flooding markets (housing, education) with money that serves to inflate prices, while lining the pockets of the greedy lenders and eventually leading to financial crisis for the borrowers and the nation as a whole.

The root cause of all this is the profound and pervasive worship of affluence which has swept through our society in the past 20 or so years along with the preposterous notion that people and governments can borrow their way to affluence.

Commenter: James H.

This story of Gina and the rest of our youth going to college to attain that higher education are wonderful but, not affordable. It's a shame that when they graduate they are so behind on their student loans and not even in the workforce as of yet. Wow, I wish the elementary and High Schools in their curriculum would emphasize the topic of Economics and prepare our youths the survival skills they going to use in this wonderful land of Democracy and opening market. And for Amelia C. Reque, you can log on to this website <http://www.kiva.org> and ask the world for a loan to pay off your debts and then you can pay them back a little of a time.

Commenter: John Poteet

I had to leave college before completion due to illness. My student loans are not repayable any more than my medical bills are. Without adequate health care I will not be able to return to work and without student loan forgiveness people like me will be unable to rise up. Employers routinely deny job applicants due to credit scores.

Without adequate job opportunities and entry channels into the middle class outside of college educations people will take on student loan debt to get through college. If life's circumstances interrupt college educations those loans cripple the people who need assistance most.

Commenter: Wenonah

I do not know if you are still accepting student loans stories, but here is mine. I got out of graduate school with about \$60,000 in student loan debt through two lenders, CitiBank and Alaska Student Loans. I was keeping up, but barely. Then I got sick. I spent 45 days in the hospital and almost lost my life. What I was left with was a sea of debt. Three months after getting out of the hospital, I lost my job. My church ended up helping me make my rent payments every month.

The Federal loan was put on deferment. But the Alaska Student Loan Corporation said my credit was too poor to defer and too poor to consolidate and lower my interest rate. In addition, they told me that even in bankruptcy protection, they could still default me. They would simply have to wait to collect on the default. In February my bankruptcy was finally discharged.

I was able to stay out of default. I met a wonderful man who has no student loan debt. \$1,000 or my \$1,300 unemployment check now goes for student loans. I want to get this ugly thing paid off once and for all, but know that it will be a long haul.

Before going bankrupt, I had worked at paying off my bills. I had less then \$5,000 in credit card debt. Even with the bankruptcy, I am still strangled with debt.

Commenter: Teacher

To Lee who said that Gina made bad choices and she should have started her family later. Do you mean she should have aborted the child she had as the result of being raped?

Do you mean being raped one of her bad choices?

Expletive you!

Commenter: Suzanne M. M. Warner

I am 61 years old, female, was a single mother with no child support. My son is now 30. I have a Masters degree in Art History/Anthropology/Native American Studies and have been working at historical museums for 15 years. My son's father would always get out of paying support, after a while I stopped asking and just worked harder....school was my support, it provided some reduced housing, day care and friends and colleagues who were in similar situations. I recieved as many scholarships as I could qulaify for and had a 3.8 GPA and I borrowed altogether about \$25,000 thinking it would be a good thing and while I have done pretty good for me, I fractured my spine in the late 90's and had to put the loan on deferment not totally understanding that it would keep growing. After I settled the insurance claim I consolidated and then it changed lenders without my knowing and suddenly I was in default. It has taken years to get it straightened out. Last year I paid \$600 a month for 9 months to a collections agency in order for them to forgive 25% of the loan which they did and said I would then be

paying less....but it turned out to be \$14 a month less so now I have to pay \$586.00 a month and this is a government loan. I cannot consolidate again or lower the 8% interest. I pay it to the US Department of Education. My loan is over \$75,000 now. The \$586 is mostly interest not principal. I make \$42000 a year before taxes. I cannot buy a house....I have never in my life owned anything new, or had a house of my own. I do not own anything new, I cannot afford it. I have no future and certainly not one in my field since most museums are not being funded. I have worked for fifteen plus years saving the history of this nation and for that I have no future. Go figure. But they can bail out the banks and the auto industry, but not an intelligent, harmless, generous and loving elder. It makes me very sad. I tried so hard to do all the right things....

Commenter: Noel Oates

Is there any way to send this single mom a bit of \$ help?

Commenter: jeninmaine

It is discouraging to hear people put their experiences above that of Gina's. To watch her try to balance her life while we sit here and judge is discouraging. We all can't be so lucky as those who have wide support networks or who already have the answers or who know the right questions to ask, can we? It's so very easy to say work before doing unless you have been in poverty and want so much a better life. I'm quite sure she did not plan to be sexually assaulted. Her beautiful daughter who cried at leaving her things behind was heartbreaking. No mother wants to put her child through that. It was clear Gina didn't. It's not as if Gina is having child after child, wishing for something more. Her only wish was that of knowledge, and understanding, of new experiences of meeting people - seeing things. All things that should not come at so high a price. Education should never come at the high price of giving into debt collectors or that of having a warm and safe shelter.

Commenter: Jeanne Uhl

What a sad touching story. It is so hard for young people to navigate through all the possible pitfalls. Is it possible to donate some money to help Gina Moss and her daughter?

Commenter: SPR

Your report was full of half-truths and did not explore all the reasons for high student loans debts. Why did your report fail to mention the high number of students who borrow more than they need and spend it going on spring breaks or buying expensive equipment that is not necessary for their degrees. Also, how come you did not mention that students are required to take entrance and exit

interviews and are educated on what a loan and that is will need to be repaid with interest so they know from day one but they fail to pay attention. How come their what no mention of the last five years of Financial Literacy programs that has been happening on a high school level and college level to further educate people. Most of these borrowers are to lazy to take the time to read what they are signing. I am from a small town of less then 500 hundred and went to a university with an undergrad population of 30,000 and I understood that I was taking a huge amount of money out to go to school and it would be hardship when I graduated. I repaid every cent of my multiply loans it took me many years but I knew it would at the time I signed the papers and got my money. My family did not teach me any financial planning either but I knew what a loan was and that it is repaid with interest. Also I kept in contact with my lenders and got help when I needed it. I took responsible and kept looking until I got help and did not stick my head in the sand. Why did you not discuss the entire loan process from start to finish you chose to take the easy route and I resent that I was responsible and these students who thinks the world owes them I am tired of their laziness and want them to start taking responsibility and stop expecting everyone else to BAIL them out.

Commenter: Marc

Some of you are rather heartless. Yes, everyone should be careful but these are kids. Someone even commented that Gina should have waited to start a family? She was assaulted. Talk about responsibility? Where is the responsibility on the part of lenders? They get to loan money with NO risks! Then they scheme to make even more money from outstanding loans. The government (you and I) absorb all of their losses in the case of default. It's a joke. I have been responsible with my own loans. They will be paid in full come November and I have made plenty of related sacrifices. I can still see this story without blaming the borrower however. Focus your outrage for the corporations that have gotten rich with the support of your guarantees.

Commenter: Jesse Swan

The outrage is that student loans are backed by the federal government. My loan is consolidated with Sallie Mae and it would not let me out of the loan to go with another student loan option. They have me trapped, with the backing of the federal government, at 9% and they have the option not to let me out to go with another lender, which I had arranged at a rate of 1%. The real problem is that the federal government is doing this. The government should not create traps for Sallie Mae to capture citizens. My congressman, Bruce Brailey, has said that there's nothing to do about this, but there is: Change the law the congress made. I originally borrowed a total of under \$30,000, and through Sallie Mae's tactics, the loan went up to \$50,000. We can give billions and billions to rich people; give some billions to the Americans like Gina and like me (I'm a professor at a

public university) as *loans* at low rates, like 1%, and ways to earn forgiveness for portions of the loans (like teaching at a public university or doing social work). Thanks for broadcasting this report and providing this space for comments.

Commenter: k. fann

loved this episode of NOW, i am way above college age and have a son who is in his junior yr on a full scholarship, it was heart breaking to watch this single mother and her struggles, hopefully sometime in the future we can find out some good news about her situation. hopefully sooner than later. great program!

Commenter: Myron Tutunjian

The only thing not her responsibility was the assault/rape and resultant pregnancy. It's called person responsibility. How can someone with the intellect to achieve a Master's degree be so financially ignorant? She made bad choices. She wanted "experiences" and to "meet new people" so she took out loan after loan to attend college and got multiple degrees. That was her choice. She could have worked first, saved, and then embarked on a more modest incremental effort. If you can't afford something, you don't buy it, or you defer until you can. But everybody seems to be entitled. Your show is shamelessly one sided. Try doing a show on the hard working Americans that work and save and sign on for only that which they can afford. They pay as they go without expecting others to pay or bail them out. You can include corporate welfare here also. We all want things. You've got to earn them and live within your means. Something the government of both parties hasn't learned.

Commenter: Peace Hudgens

My husband and i have about 200k in student loan debt. we are doing our best to keep up. I was touched by the single mother's story. we are in debt to our eyeballs and have defaulted in our credit card debt. but we have a roof over our head and would like to offer a room to the single mother until the economy gets better and she finds a job.

Commenter: Lee

Gina's ambition should be applauded, however it seems she made some poor choices that have left her in this terrible position. Social work isn't a very profitable career and probably not the best choice for a single mother. Better yet, Gina should have waited to start her family.

We should do everything we can to make education affordable for the youth but there can never be any substitute for responsibility.

Commenter: Amelia CReque

I am a survivor of domestic violence. I had to drop out of school. I had 29 credits to graduate. I was homeless for six months and then I was housed. I am working, but it seems that now and everyone is asking for their money, and I cannot even save. I am paying my student loan, but I also owe tuition. I would like for someone or an organization to purchase my tuition loan and I am willing to work for them to pay it back. This will allow me to go back to school and finish my degree. My senior year is also the first year of my master. I have missed out on so many jobs because I do not have my degree. can you help or direct me?

Commenter: Hallie

My Loan was being paid on time when the collections lawyer (Illinois Student Assistance Committee) asked my mother's estate lawyer to send my entire inheritance, the executor did.

Commenter: L. Franco

I managed to double my student loans through the advice of Citibank Student Loans to go on a Hardship Defferment. I also didn't realize that I was paying interest on interest and principal. I now have to make payments of \$500/month. This is disgraceful.

Commenter: E. Martin

Both of my children has college debt. But one went on to law school and now has almost \$150,000 (yes, the number's right) in debt for law school - and law firms are cutting back too. He has one year to go and is worried about what the job market will be in 2010 when 2009 law school graduates have been asked not to show up for work until January 2011! Our kids bought the 'get a college education and you'll get a great job' story hook, line and sinker. and now they are faced with years of debt --- and where are the great jobs. And a 'teach American' job is not going to pay for those law school debts!