

Tuesday, August 16, 2022

The Honorable Hakeem Jeffries  
United States House of Representatives  
2433 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Jahana Hayes  
United States House of Representatives  
1415 Longworth House Office Building  
Washington, DC 20515

Dear Representative Jeffries and Representative Hayes,

We, the undersigned 13 organizations representing the interests of student loan borrowers, write to express our support for [H.R. 8643 The Student Loan Literacy Act of 2022](#), the bill you introduced on August 2, 2022 with Rep. Jahana Hayes (D-CT-05). We are grateful for your leadership on this issue and we urge Congress to pass this important piece of legislation swiftly, bringing necessary aide and counsel to the millions of Americans struggling with student loan debt in this country.

**As you know, the Student Loan Literacy Act allows for the creation or expansion of Student Loan Consumer Assistance Programs (CAPs) across the country to help borrowers navigate the complex federal student loan system and develop strategies that will lead to financial security. The \$80 million provided in the Act for grant funding to states to fund community-based organizations and other direct service providers will allow us to have the resources to provide free and unbiased one-on-one consumer assistance to student loan borrowers.**

There are about 43 million Americans who have student debt, holding a total of \$1.7 trillion in student loans.<sup>1</sup> Student loan debt impacts Americans of all backgrounds and demographics. However, disparities between racial and socioeconomic groups of student loan borrowers have only been further laid bare by the COVID-19 pandemic. Black and Latinx families, women, low-income individuals, and at an alarming rate older adults are disproportionately harmed by student debt.

**Free and unbiased consumer assistance provided through CAPs is critical in addressing this crisis.** The federal student loan system provides options for those struggling with student debt ranging from more affordable payment plans to forgiveness and discharge programs. While these options exist, the complexity of the system and program requirements is such that borrowers are unable to take advantage of them. As a result, these relief measures have not

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<sup>1</sup> Hanson, Melanie. "Student Loan Debt Statistics" EducationData.org, May 30, 2022, <https://educationdata.org/student-loan-debt-statistics>

worked. Loan servicers have also demonstrated that they are not equipped to provide the detailed individualized service borrowers need to access repayment plans and programs they may be eligible for, or help borrowers develop short-and long-term strategies for addressing their student debt. CAPs will fill that service and information gap. CAPs can also play a role in student loan servicer oversight by informing policy decision-making at both the state and federal levels based on the trends and issues seen on the ground. The existence of CAPs is thus crucial in advancing the effort to help millions of student debt holders navigate the federal student loan system and achieve a greater degree of financial security by taking advantage of all the benefits that system has to offer.

**Congress must take actionable steps to address the student debt crisis we are facing in this country. The Student Loan Literacy Act of 2022 provides a way forward for student borrowers through free and unbiased financial assistance. We appreciate your support for student loan borrowers seeking assistance. We strongly urge Congress to act to pass The Student Loan Literacy Act of 2022 so that borrowers across the country can access these essential services**

Sincerely,

Center for Responsible Lending  
Community Service Society of New York  
Consumer Reports  
Hispanic Federation  
NAACP New York State Conference  
National Consumer Law Center (NCLC) (on behalf of its low-income consumers)  
New Yorkers for Responsible Lending Coalition (a coalition of 160 member organizations)  
Student Borrower Protection Center  
Student Debt Crisis Center  
The Institute for College Access & Success  
uAspire  
Virginia Poverty Law Center  
Young Invincibles

