

Financial Fairness for All

Drowning in Student Debt

Higher education can be the gateway to a better life. Yet the rising costs of a college education and poor oversight of student loans have left some graduates and former students deep in debt—especially when enrolled in for-profit colleges.

The Center for Responsible Lending (CRL) found that students of color enroll more frequently in for-profit colleges than other students, graduate at lower rates, and are left with more debt. Some schools have been accused of deliberately targeting students of color for enrollment in their predatory programs.

As the student debt crisis deepens, the need for real solutions has never been more urgent. Unless Congress and the states act now, multiple generations will continue to delay or forgo purchasing homes, becoming entrepreneurs, and starting families.

Even worse, studies now show that more Americans than ever are carrying their student loan debt into retirement—with catastrophic consequences, including the garnishment of social security payments for some borrowers. Student loan debt isn't just undermining the American Dreams of our young people, but the Golden Years of older Americans.



Fast Facts

More than 44 million people owe over \$1.5 trillion in student loans.

Four years after graduation, Black students with a bachelor's degree owe almost double the debt their white classmates owe.

While for-profit college enrollment represents 8.6% of all college students, these schools generate over 34% of all students who default on their loans.

Up to 90% of a for-profit college's annual revenues can come from a combination of Title IV federal aid: Pell Grants and student loans.

ONLY 21% of all for-profit students in four-year programs graduate within six years.

Reform Remedies

- Give borrowers access to meaningful income-based repayment plans.
- Regulate for-profit schools and provide debt relief to students who have been victimized.
- Improve borrower protections and transparency in student loan servicing.
- Amend the bankruptcy codes to allow student loan debt to be dischargeable in bankruptcy.



“Quality education is an investment—not a cost—to our nation’s future. Policies and practices must assure student success while minimizing costly debt errors that become unnecessary burdens.”

- Whitney Barkley-Denney, CRL Senior Policy Counsel



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