



Dr. Arielle Kuperberg's Public Comment on the U.S. Department of Education's Proposed Title IV Regulations

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Hello, my name is Arielle Kuperberg PhD, I'm an Associate Professor of Sociology at the University of Maryland, Baltimore County, and I've been doing research on student loans for around ten years. This research has included analysis of national datasets along with surveys and interviews of college graduates with and without loans who my collaborators and I have followed over time for up to eight years past graduation. I have published five peer reviewed articles and numerous additional works focused on the non-financial consequences of student debt for college graduates with loans, including family, housing, and physical and mental health.

If the Department wants to streamline and improve student aid programs, my research suggests four key actions:

1. The Department should reduce administrative barriers (such as simplifying the Public Student Loan Forgiveness program process),
2. They should shorten repayment periods in Income driven repayment plans
3. The Department should reduce or eliminate interest on loans,
4. And finally, the Department should maintain strong borrower protections, including being able to discount spousal income in income driven repayments. Eliminating this protection would further discourage loan holders from getting married.

My research has found that loans expand access to higher education to those who don't have family money to pay for college up front, leading to large gains in lifetime income for the average borrower. However, despite increases to average income, those who graduate college with loans are less likely than college grads without loans to get married or have children. They have worse self-rated health and mental health, and are more likely to delay healthcare or reduce the amount of prescribed medications they take in order to save money. These healthcare delays also result in more major medical problems in the long term.

My research has determined that these outcomes result in large part from a strong sense of financial responsibility when it comes to paying down debt before getting married, having children, or paying for other expenses. Many borrowers have reduced disposable income from high loan payments and compounding interest, which makes them feel they will never be able to pay off their debt. These negative outcomes for those with student debt demonstrate the importance of debt relief programs. Reducing or eliminating compounding interest would allow those with loans to make meaningful progress on paying off their debt. Expanding access to income driven repayments and PSLF and reducing the time to which debt is paid off in full on these plans would allow those with loans to move forward with family formation, and would improve health and mental health.

Finally I would add that the uncertainty and constantly changing programs and policies related to student loans are worsening the problem. Borrowers struggle to plan long term, especially when it comes to decisions such as starting a family, in the face of unclear or shifting priorities.

Thank you for your time.