

Shaheen addresses student loan debt at RVCC roundtable



U.S. Sen. Jeanne Shaheen (left) sits alongside River Valley Community College President Alicia Harvey-Smith during a roundtable discussion on student loan debt. — D.F. DASCENZO

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CLAREMONT — U.S. Sen. Jeanne Shaheen made an hour-long stop at River Valley Community College (RVCC) Wednesday to discuss legislation and potential solutions to the national issue of student loan debt with students, administrators and city officials in a roundtable discussion at the RVCC library.

"Student debt is a huge issue," said Shaheen, who said that student loan debt is second only to mortgage debt nationally, having surpassed credit card debt.

According to Julia Dower, director of Financial Aid for RVCC, federal regulations require that institutions offer students applying for financial aid the full amount of loans available. Dower said that packaging the loan amount based on the individual's course load and anticipated graduation date could help keep debt in check.

"If we had the right to package only what a student needs in tuition and fees, it would help them up front borrowing just what they need," said Dower.

For the 2014-15 school year, 898 students were enrolled at RVCC, with 548 of those students being Pell grant eligible. According to Dower, RVCC students took out an average loan of \$6,700 per year.

"As I try to tell students, for every \$10,000 a student borrows, they're paying back \$125 a month for 10 years and that's a standard repayment," said Dower.

SAU 43 Superintendent Cindy Gallagher spoke about efforts in Sullivan County and the state to foster programs at the high school level that allow students to earn college credits toward community colleges and four-year college institutions, specifically the partnership between Sugar River Valley Regional Technical Centers in Newport and Claremont that can get students first-year college credits through articulation agreements.

"Students can go through engineering and start getting college credits in ninth grade through our tech centers. We have students walk out with their first semester [of college] done," said Gallagher. "We've got some great relationships that give people jump starts."

Gallagher called for similar articulation agreements between community colleges and four-year colleges to condense the amount of time and money spent in school.

"We need the system to close. We need [students] to be able to go to a community college that's articulated to any four-year [college] you want," said Gallagher.

In response to the issue, Shaheen and U.S. Sen. Orrin Hatch (R-Utah) have co-sponsored the Student Protection and Success Act, which "seeks to improve the U.S. Department of Education's data surrounding the repayment of federal student loans and help ensure that borrowers are getting good jobs that set them up for success after college."

"I don't think the federal government should be making the money it is off student loans," said Shaheen.

According to a document from Shaheen staff, up to \$110 billion in outstanding student loans are in default, forbearance or deferment and only 39 percent of enrollees in bachelor's degree programs will earn a degree in four years.

Currently, federal student aid is tied to a school's cohort default rate (CDR), which is the percentage of students who default on their federal loans over a given time after going into repayment.

The bill proposes moving to a cohort repayment rate that will measure the percentage of loans repaid and will feature a risk-sharing provision in which institutions will pay a fee equal to a percentage of the loan balance that is not being repaid to the U.S. Department of Education.

In addition, institutions that enroll and graduate a significant number of low- and moderate-income students would receive a Pell bonus that will be funded through revenue gained from the risk-sharing provision and allocated based on the number of Pell grant students enrolled in the institution.

"It encourages colleges to do a better job of looking at what students are paying in terms of student loans," said Shaheen.

