February 24, 2010

The Vice President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. Vice President:

On behalf of the higher education associations listed below, I write to express our strong support for the Obama administration’s proposal to expand the Income-Based Repayment (IBR) program. We are pleased that the president’s fiscal year 2011 budget request includes an expansion of IBR, which we know has been a priority for you and the Middle Class Task Force.

IBR helps to increase higher education access and affordability for students by lowering the burden of student loan debt. Under this program, student loan payments are based on a percentage of student borrowers’ disposable incomes, thereby ensuring that their educational debt remains financially manageable. Currently, IBR payments are 15 percent of the borrower’s net income after adjustment for basic living costs and any debt remaining after 25 years is cancelled. Under your budget proposal, borrower payments would be capped at 10 percent of net income and would be forgiven after only 20 years.

We have long supported the IBR program, which was created in part to help low- and middle-income borrowers who take lower-paying but critically important public service jobs after they graduate. We are pleased by your proposal to further expand this program and believe it is particularly timely given the difficult conditions facing many recent graduates in the job market. We also wish to take this opportunity to express our continuing support for changes to tax law to ensure that federal student loan debt forgiven through the IBR and related Income Contingent Repayment (ICR) program is not taxed as income. We hope that this additional feature can be incorporated into the proposal as it moves forward.
During the current recession, more Americans than ever are turning to higher education to provide the skills they need to succeed in an increasingly competitive global economy. We thank you for your support of these students through the proposed expansion of the IBR program.

Sincerely,

Molly Corbett Broad
President

MCB/ldw

On behalf of:
ACPA - College Student Educators International
ACT
American Association of Colleges for Teacher Education
American Association of Colleges of Nursing
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Association of University Professors
American Council on Education
American Dental Education Association
American Indian Higher Education Consortium
APPA: Leadership in Educational Facilities
Association of American Colleges & Universities
Association of American Law Schools
Association of American Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Association of Research Libraries
Council for Christian Colleges & Universities
Council for Opportunity in Education
Council of Graduate Schools
Council of Independent Colleges
Hispanic Association of Colleges and Universities
NASPA - Student Affairs Administrators in Higher Education
National Association for College Admission Counseling