

State Vocational Federation of Teachers

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Testimony of Amy Carvalho
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**Proposed Bill 7212: AN ACT CONCERNING THE
PROMOTION OF LOAN FORGIVENESS PROGRAMS**
Committee on Higher Education and Employment Advancement
March 9, 2017

According to the National Center for Education Statistics, private university education increased over \$10,000 per year between 1995-2005. When I was applying to college, people would nonchalantly tell me to take out loans – it's just simply what you do, and you can pay them back when you get a 'good-paying' job. I don't think anybody was paying attention to the rising costs of tuition (and the constant freezes in salary educators were experiencing). It's getting worse...My \$28,000/year tuition in 2003 is now \$58,000/year at the same school. I could have attended a public school and saved some money in the end, and I accept that responsibility. I know that the loans I took out paid for my high-quality bachelors' degree education, and I am thankful for that. I knew that loans had to be paid back. But at age 18, I just didn't realize what I was signing up for, and would never have imagined that at age 33, loans decide how I live my life.

By junior year of college, I started to realize the scope of the situation I was in. I became a Resident Assistant for two years, which reduced my loans by about a third. For graduate school, I found a job on campus that paid for full tuition. When I graduated, I began repayment on my loans. My starting salary as a school counselor was \$25,000 less than my total student loan debt. I've been paying between \$450-650 per month for the past eight years. While I've made a small dent, and while I know I am not "the worst case" of student loan debt, I feel like I just can't get a handle on them.

I think about my student loan debt daily. It affects my day-to-day finance decisions, and causes great deals of stress and anxiety. I have made major life and career decisions based on my student loan debt, decisions I know I would not have made if I didn't owe \$50,000+ in student loans. I had to delay getting married. I didn't own a reliable car until two years ago. I lived home longer than I wanted. I can't even consider going back to college to enhance my job performance or change careers. There is no chance to plan for my retirement now, so the effects will be felt long after the loan is paid.

I am taking responsibility for my loans. However, it is extremely discouraging to know that there are loan forgiveness programs out there, and yet I am repeatedly told I do not qualify. The Teacher Loan Forgiveness Program, which forgives \$5000-\$17500 for Direct Loan and FFE

Loan programs, does not consider me a 'teacher': *A teacher is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers.* Guidance Counselors are specifically excluded. The Public Service Loan Forgiveness Program does consider me, but I am told my loans must be under a different lender to qualify. The lender was not willing to help me consolidate, or explains how my loans could qualify. I try to consolidate or refinance with private companies to lock in a lower interest rate – right now I pay over \$2500 in interest each year, so I can't make dents in my principal payment. I feel I have no power to address my loans.

Bill 7212 would, among other things, ensure that I had the information necessary to have more control over my student debt. The Student Loan Ombudsman would provide information and explain payment plans objectively; currently, the lenders are the only source of information, and they have a financial interest in me continually paying a high interest rate. I would be assured I have all the facts about income-driven repayment plans and public-service loan forgiveness in one place. Without this bill, trying to find accurate information is almost impossible.

Rising costs of college tuition are a serious issue. I have been a school counselor for nine years. I love what I do. My experiences have allowed me to successfully guide students and families through the college application and financial aid processes. Today I work at a technical high school, because I see the great benefit in career training, coupled with some post-secondary education. I urge students now to consider the final price tag when choosing a college, not the quality of the program or invaluable student activities. Sadly, even if a student was to go the cheapest route to a traditional college (community then transfer to a state school), they could still be \$30,000 in debt. Bill 7212 would allow graduates to manage their debt in a way that is fair to them and positive for the Connecticut economy. I urge you to support this bill. I would have liked to be at the LOB in person to give my support, but I have to go to one of the two part-times jobs I have to help me pay off my student loans.

Thank You