

Problem and solution for student debt essay sample

[Profession](#), [Student](#)



Introduction

The last few decades have seen an unprecedented increase in student loan debt levels and in fact, student loan debt has become a fully-fledged crisis. Students have been incurring enormous debts. These students later on find themselves defaulting in their payments and because of this, education policy makers and experts have had endless debates regarding how to tackle this problem. The debate has been laden with inconsistencies and lack of consensus and most of the solutions advanced have not been effective. One of the key problems contributing to student loan crisis is the lack of adequate knowledge and awareness by student borrowers about what they are really getting into when they take loans. To eradicate this problem, students should be properly counseled, advised and educated by advisors from the department education about the logistics involved in loan borrowing. Students should also be advised and helped in choosing the best fit colleges financially so that they do not make unwise college choices and then take on enormous loans to fund their education. The root cause of the problems with regards to student debt is the lack of education and awareness of the students on the real terms and conditions of the loans or debts they are getting in to and that the only viable solution to address this problem is to educate the students and make them aware of these things. There are also other problems pointed out such as the presence of financial institutions whose focus of operations is on exploiting students in need of a student loan and the lack of government regulations and policies that can control and penalize such institutions. The appropriate solution identified for such problems is government intervention.

The Main Cause of Student Debt Accumulation

The Proposed Solutions

The Role of the Government in Regulating Student Debts

The role of advising, counselling and educating both prospective and current colleges students about the logistics involved in the borrowing of loans is charged to the government and relevant education authorities and this is the first step towards solving the student debt loan crisis. Students should be provided with sufficient financial information in advance before they set foot in college. For many students, paying for college is in actual sense the first major economic transaction that many of them take part in since most of them are fresh out of high school and have virtually no information and data regarding college financing. They do have information regarding the financial options available to them. This is where the government in association with education authorities such as college management steps in; the government should provide in advance adequate financial information. This should be done even before the process of choosing a college of choice has been done. One recommendation is to hold seminars for seniors in high schools who are awaiting graduation and who look forward to joining college in the coming year. Relevant education stallholders should hold seminars and session with such student together with their parents and guardians and adequately equip them with information regarding college finance. There should be a particular focus on the issue of loans. Information regarding the loan programs available should be provided together with the pros and cons of these financial programs. In addition, there should focus on the issue of interest rates as well as repayments since this is one of the areas where

students lack adequate information on. In addition, once the students are preparing to join colleges, it is up to the colleges to suggest the best loan programs for their students. Another problem is the presence of various loan giving companies out there that operate to exploit students, even those who are already well-informed about the financial options they could take, in the form of enormous interest rates and hefty fines for defaulting repayment. College management should select and pick the best loan programs and then advise the students appropriately. Additionally, this can be solved by enacting new policies that would be aimed at protecting the students' rights when it comes to availing student loans and debts.

Special Education Advisors and their Roles in Lowering Rates of Student Debt

Low income and first generation students who have no one to advise them about college matters should be helped in choosing the best fit colleges, in terms of finance. The best people to do this would be special education advisors from the federal department of education. These federal education advisors are the ones who should be in charge of educating the students and their parents about the different options they can choose to finance a college education. Private educational institutions can also make the effort of hiring an in-house special education advisor who will be in charge of advising and educating the students and their parents of the different options they can take in financing a college education. Lack of adequate information sometimes prompts students to make unwise colleges choices and then take on enormous loans to fund their education in spite of the fact that there may be better options financial wise that are available to them out there. Even if

these students are able to finally graduate from such colleges, they are lives are hovered by unpaid college debts and it becomes even hard for them to make any economic advances. The main point here is to provide information to students regarding the best fit college taking into account one's financial position. This information should be on all the colleges that the prospective students desire to join. This may include information on the financial structure of the institution. Students should also be advised on the costs of the various degrees that they wish to pursue as well as their market value. Once this information have been provided to students together with information on student loan programs, then they can make conscious decisions that are consistent with their current situation. For instance, a student may decide to attend a relatively inexpensive college whereby he can partially support himself and borrow a little money from an appropriate loan program to cater for the other financial requirements. Even in doing this, students will be fully aware of they are getting into and even when it comes to the repayment of the loans, they will be psychologically and mentally prepared since they know the amount that they are required to pay.

Conclusions

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