

Example of essay on the student debt: avoiding another depression

[Countries](#), [United States](#)



Introduction: Problem statement

Some have said education is expensive while others have offered solutions and offered students an opportunity to learn. The process seems lucrative and a great chance for many students and middle as well as low-income economy parents who wants to become part of the American dream talked of since eternity. Lending institutions appear docile, humble, and eager to help such parents and students complete their studies, which appears quite in line with the development agenda (Abram Online). Actually, students have limited problems as many of their needs are catered and all they have to do is study and pursue their studies. However, not all appear as rosy as the lending institutions make it appear. Whoever said that student loan rates could just escalate at terrific rates without the state and federal government coming in? Who agreed to have lending institutions make certain clauses and statutes hidden so that they could extort more money from the poor students? Actually, at the end of a two-year or a four-year course in a community college or a university, the last man laughing all the way to the bank is the lending institution.

The major problems with such debts for many students today occur when the federal government and lending institutions have rules and regulations concerning who qualifies to borrow and how much they can borrow.

Furthermore, the constant increase by many universities on their fees often lead to a rise in debts and a correlated match in the amount obtainable.

According to Carlsbad, students who graduated in the early 1990s had an easy time managing their debts while the current rates have increased to an enormous 58% (Online). Currently, the number of defaulters is on the rise

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and the situation is not favorable either as the students rise higher in debts while jobless. In some cases, they end up earning nothing in their jobs due to the huge cuts that they face upon graduation. How can such a situation be arrested to avoid having paupers from graduates? How can students who benefit from such loans live a stress free life in school without having to think often of the crowded job market coupled with the repayment rates ever on the increase?

Proposed solution

Having analyzed a variety of offers and variances in the market against the need of many students to settle and develop after school, it emerges that a variety of solutions are available some explored while others unexplored.

A liaison with agencies prior to settling on a loan

In many cases, the students have a variety of offers to join colleges and rush to lending institutions with much ambition without paying much attention to the lending rates. They become oblivious of these cases until it is too late to change their predisposition. Currently, agencies such as US student Loan services (USSLS) have emerged to guide students and parents on making better choices that enhance great lending terms and repayment rates for the students after graduation (Carlsbad Online). Such agencies often have a better way of enhancing the repayment rates and adopting better programs that have average interest rates as well as better financial profiles that enhance cooperation and mutual adoption. For instance, one program, allows for a forgiveness act after a certain level of repayment incase of extreme cases of loan defaulting after graduation.

The debt awareness campaign

It is saddening that by 2012, the student stood at a stifling rate of over \$1 Trillion in state just after the mortgage debt. This figure stood stark with no hope of repayment soon. The rate is ever on the increase because most students have their woes and suffer in silence. This silence can be broken when students decide to form campaigns to the federal government urging it to come up with legislations against unwarranted raises in loan interest rates. One such occurrence took place in 2013 when the president urged the congress to adopt the bill that would guard against unnecessary raises in the interest rates. Such bills can only go through when a majority of students form campaigns and urge the government and the congress to make effective changes and actions where necessary. Similar acts include the forgiveness act that received a unanimous vote and signature from students from all over the states forcing the congress to adopt it as a policy in progress and subsequently having certain lending institutions reduce the rates and have them in practice. Such websites all over the states include ([www. studentdebtalert. org](http://www.studentdebtalert.org)) where student share their horror stories on the debt repayment and the different institutions that often cripple students' efforts to develop. Through such campaigns, many students wishing to join universities and colleges would have a better chance at knowing their rightful lending institutions and the cronies that change to exploit the students and limit development (Park Online).

Simplification on information access on debt consolidation

Such information should contain the full list of legitimate lending institutions and their rates of interest for the students of all categories. The information should also offer services for advice and solutions with a close preference to federal loans than private. Such information can also help the guarantors who had very little to do with the loan defaulting.

Justification

In the current times, many students are worried and have many issues to do with studies and life after school. In school today, many students have a variety of concerns that they hide and rarely talk about. In the real sense, they are worried and rarely have to discuss such issues. This often touches on the middle and low-income families in America with no hopes of a better future. Among the major solutions that have been explored are the campaigns that have hit a major part of America as people and students are trying to enhance a faster bill that will see them have a better repayment term that works. The office of loans ombudsman claims that many students have written to the office asking for better terms that work and enable them, to become part of the American dream as opposed to an a majority others who would just want to default deliberately. The campaigns often attract a large group of people and often the majority of people establish a rare feat of hitting the 100, 000 signatures needed for a bill and presidential commentary. The USSL justification has also received a variety of roles over time due to the structure of their time involvement with the students in the rare connection phase. Such services have unfortunately been hidden and

hardly many students have better information regarding them. This necessitates the need to have such information open for students and parents to access without any worries. The students' communities as well as graduates have also voiced their concerns of a reliable system, which can cater for every individual in management and data reception reliability. The office of the ombudsman claims that better systems of dealing with the student debt should focus, on not only the current students but also the graduated students who are struggling with the burden. This makes sense in a world where many graduated Americans are suffering in silence and wishing for imaginary help from the skies.

Ideally, the preference for federal loans is likely to enhance a safer repayment strategy if push comes to shove. The concept and stalemate in the whole fiasco points to a repayment plan that works and enable people to settled their debts while developing themselves and families such as settling down and getting married. Many websites in the system have many success stories, and probable factors that have caused a rippled in the American politics over time. The students depending on loans to study are also part of the American dream and ought to have better offers at working and settling down after graduation. Furthermore, the students ought to enjoy their studies without any stress of a meaningless life after graduation. The following solutions if implemented will help reduce the rates of lending controversies and hopelessness hitting the current graduate community today in America. Over the past half decade, the campaign strategies have been quite actoi³ and alive all over America without any hindrance. They have managed to influence certain major decisions among their peers and

enhanced the congress bills on acts such as the forgiveness act among others. Such campaigns have enabled a variety of students and freshmen getting ready to school to make wise choices for a better lending service among other better programs available. Therefore, such campaigns are of great help to the students' community as well as disgruntled parents. The usefulness of such campaigns and roles in influencing decisions both at a policy making level as well as a loan taking decision level is remarkable and very effective.

Reference

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