

Students in Debt: "Can't Pay, Won't Pay, Don't Pay"

Written by Rachel Signer, The Nation | Op-Ed
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It seems like the right moment to initiate a nationwide campaign against the student lending industry. In a short time, Occupy Wall Street had reinvigorated the left and called the media's attention back to the financial crisis of 2008. Young people everywhere are underemployed and struggling to repay debt, and many of these same people are now becoming inspired by the radicalism of Occupy.

It began with a teach-in. On Wednesday, October 16, New York University professor Andrew Ross led an open forum titled "Is Student Debt a Form of Indenture?" at the public atrium at 60 Wall Street, which had been transformed into an office of Occupy Wall Street. Each day, the atrium filled with activists who made their way from the park, dodging traders and tourists alike, for afternoon teach-ins and working group meetings.

Around fifty people crowded around Ross as he read from a paper he had written outlining how the student lending industry was predatory by nature. Ross explained that student debt in the United States has topped \$1 trillion—more than any other kind of consumer debt. After bankruptcy protection was removed from private student loans in 2005, default—and the ruined credit score it results in—is the only option left for struggling student loan debtors.

Ross also explained how the banking industry profits from student loans—especially defaults, which involve lucrative collectors' fees, added interest and penalties. The most recent data shows that the default rate for student loans was close to 9 percent in 2010—up from 7 percent in 2009. The largest increase in default is found at for-profit private institutions, according to [data](#) from the Department of Education, where nearly half of the students are African-American or Latino.

But Ross was not there only to lecture. He was there to spark a movement to challenge the predatory student lending industry. And now, a working group affiliated with Occupy Wall Street is seizing the opportunity for political activism created by the movement with a campaign called Occupy Student Debt. The group consists of current students, former students and professors from various universities in New York City who say they have seen the ways in which student debt creates anxiety and desperation, especially in the current economy. On November 21, the group will announce an online pledge that seeks one million signatures by people who will refuse to pay their loans until certain reforms are made to the student lending industry. Those

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reforms include federally funded, tuition-free tertiary public education; interest-free private loans; a requirement that for-profit and private universities open their financial books, and the writing-off of all current student debt. The campaign's punchy slogan is "Can't Pay! Won't Pay! Join Us! Don't Pay!"

In seeking to gain one million signatures, the campaign is looking for strength in collective action, which will be important if it is to succeed. One thousand people refusing to pay their loans—and potentially suffering the consequences of default—will not make much of an impact. But the organizers hope that one million could make an effective statement while also launching a political movement.

"Being indebted can make someone fearful about how he will survive. Our campaign is a national initiative of solidarity. Collectively, we are stronger," said Suzanne Collado, a 36-year-old master's student in American Studies at NYU who also works at the graduate school there.

Link to original article from [The Nation](#)

The campaign launch will take place alongside demonstrations at Baruch College, a formerly tuition-free university founded as a place where less affluent people could get a good education and pursue middle-class dreams. On the 21st, the CUNY Board of Trustees will hold a public forum to essentially announce a tuition hike of \$300 per semester for five years.

Though the launch is occurring in solidarity with groups protesting against CUNY's tuition hike, it is intended to be a nationwide movement. "This is a justice campaign, about the restructuring of higher education," said Ross. Members of the group emphasize that they are not attempting to evade their personal debt burdens but rather to create awareness about a dangerous financial product and its impact on society during a recession. The "[We Are The 99 Percent](#)" tumblr blog holds story after story of individuals who are working three minimum-wage jobs or unable to find any work at all, and who are crushed by payments on loans they took out to attend college or pursue a postgraduate degree.

Alan Collinge, founder of [StudentLoanJustice.org](#), has been camped out in Liberty Square, trying to draw attention to the seriousness of the student debt problem. Last week, while sitting

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outside his tent, he explained that the student lending industry is motivated by defaults, rather than the success of the students. In his research, Collinge said, he learned that “not only do the servicers and the lenders make far more money on defaulted loans—rather than the loans that remain in good standing—the guarantor industry, across the nation, on average derives 60 percent of their gross revenues from penalties and fees attached to defaulted student loans.” In other words, the student lending industry profits from defaults, which provides an incentive to lend money to students regardless of whether they are likely to actually pay it back. Collinge became an activist in this area after he watched his debt load double when Sallie Mae lost his forbearance application and instead put his loans into default while he was unemployed and looking for work.

Now that the movement no longer holds Liberty Square as the public home of their daily debates, direct actions and community-building activities, campaigns like Occupy Student Debt will be important indicators of how the movement will fare outside of, or perhaps without, the park.

“The movement is bigger than any one park or location. This really is a national movement that is only growing every day,” explained Collado. “When there are examples of an oppressive system that play out in events like the police pushing occupiers out of Zuccotti Park, it just brings to the surface all the injustices that people in this movement have been speaking out against in the first place,” she said. “It galvanizes us and makes us more secure in our fight.”