

From: Pamela Miles [mailto:pamiles45@gmail.com]
Sent: Monday, September 14, 2015 9:07 AM
To: EBSA, E-ORI - EBSA
Subject: Fwd: RIN 1210-AB32 College Loan Debt, a high priced mortgages you can't live in

From: Pamela Miles <pamiles45@gmail.com>
Date: September 14, 2015 at 9:04:03 AM EDT
To: "michelle.singletery@washingtonpost.com" <michelle.singletery@washingtonpost.com>
Cc: "e-ORI@dol.gov" <e-ORI@dol.gov>
Subject: RIN 1210-AB32 College Loan Debt,

Dear Michelle,

Your recent column on the new regulations for investment advisors featured a quote from Labor Secretary Perez. He indicated that financial advice is just as important for young people as it is for soon to be retirees. Advice for young people needs to start in the college financial aid office. Financial aid " advisors " offer loans to students and parents that most have little hope of paying off based on projected earnings. National statistics estimate the average student loan rate to be 30k for most college students. This is misleading as some students have 0. I worked with low income and middle income students who assumed on average after scholarships 45k - 60k of college debt. The average starting salaries for these student was 45k. Even the new pay based on earnings student loan calculator doesn't help many middle class wage earners. Those earning around 55k a year with 60 K of loans are expected to pay close to \$600 a month for student loans. A rudimentary budgeting worksheet would highlight that these students won't have the ability to invest for their futures because they are graduating with debt greater than the level of many first time home buyers. The caveat is that that you can't live in a student loan. While Senator Warren is addressing the student loan interest rates, her efforts don't address the real reason student loans are a burden, degrees are too expensive. The cost of a college education has little to do with education. Universities have over built facilities and over pay Presidents. The actual educators, the professors are barely making a living wage. Doctoral degrees are costly and many professors are still struggling to pay their own college loans. Financial aid officers are unlicensed unregulated investment sales people. The investment they sell is a college education, with the promise of a better future. Due diligence needs to start with these investment sales people. Secretary Perez is missing part of the problem, young people aren't going to be seeking the advice of traditional investment advisors, they have no money to invest. They were robbed the when they signed their student loan packages.

Thanks for your interesting columns.

Pam Miles
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