Cap on student loans should be put on tuition

Lindsey Treffry/Moscow-Pullman Daily News

President Barack Obama last week increased the eligibility of student loan borrowers for an existing pay-as-you-earn program. The program caps student loan repayments at 10 percent of an individual's monthly discretionary income.

After 20 years in the program, any remaining debt is forgiven - although the balance may be subject to federal income tax for borrowers.

While this may help a big number of borrowers, students are still suffering despite the recent assistance.

Arne Duncan, U.S. Secretary of Education, said upward of 15 percent of federal student loans are in default within three years of students leaving school, while delinquency rates for student loans have continued to rise during and after the recession. Research from Demos, a public policy organization, finds student debt levels will reach $2 trillion sometime around 2022 if current borrowing patterns continue. Another Demos report finds an average student debt burden for a dual-headed household with bachelor's degrees leads to a lifetime loss of nearly $208,000.

Obama has laid a safety net for those who can't afford to dish out 30 percent or more of their income every month, but it's still a hefty sum to hand over 10 percent of your paycheck for 20 years. And the more tuition assistance and loan repayment options are offered to students, the more colleges - hurting from state budget cuts - can raise tuition rates. It's a never-ending tumble, deeper and deeper into graduates' pockets.

Obama got it right by placing a cap on the percentage of student loan debt to be repaid.

Now, it's time to force state legislatures to stop raising tuition and cutting state support of higher education. It's time for taxpayers to recognize that a well-educated work force - and today that means a college education or trade school certificate - benefits all of us in the end.