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NEWS

More Than a Rabble Rouser?

Move by student loan borrower advocate to create a PAC sparks disagreement about founder's influence and tactics.

By Elizabeth Redden

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A man who mobilized a virtual battalion of unhappy borrowers after defaulting on his own student loans -- and has since served as a poster boy for the loan reform he's seeking in media outlets nationwide -- is now trying to raise the stakes.

Student Loan Justice's founder, Alan Collinge, who estimates that he owes the federal government about $110,000 for what was once a $38,000 loan, formed a political action committee in December to, he says, return consumer protections and "reasonable interest" to borrowers. But while the PAC may be emerging at a time when a new political establishment seems poised to make some changes, it is unclear whether the Student Loan Justice Political Action Committee itself will be a meaningful player in the policy process.

Some observers credit Collinge with giving a passionate voice to an underrepresented group of older, debt-ridden borrowers and, as one advocate for loan reform says, taking what has mainly been a Beltway-based battle "to the streets." Others, however, play down Collinge's potential to influence a serious policy debate and criticize him for unprofessional tactics, including expletive-laced correspondence and a penchant for finger pointing.

llinge prepares to leave his home in Washington State and step into a 1989, "sort of weird tan," $8,000 Fleetwood Southwind motor home Monday for a cross-country lobbying tour of the home districts of lawmakers on the House and Senate education committees,

he says he will bring to the Congressional discussion "a face [of the debt-ridden student loan borrower] and actually raw emotion as well."

“It’s very easy to abstract a problem without actually hearing from the people on the ground," Collinge says. "In terms of my niche, I’m the person on the ground who actually deals with the real people in the country who are having the problems and I’m documenting their stories.” That approach has powered Collinge's success in linking reporters with sources and mobilizing media coverage over the past two years, including a May spot in a *60 Minutes* segment on Sallie Mae in which he was featured.

Since the founding of the Student Loan Justice Web site in March 2005, it has become a repository of stories from across the nation that may not have found a forum in the past. While some deride the site as unprofessional, it is, other observers say, a powerful space, virtual or not, in a world with far too few advocates for borrowers, and where debt is too often perceived as a source of shame to be privately pondered.

“These are people who wake up every day, wondering how they are going to pay their student loans,” says Collinge, who added that he represents about 2,000 members. It’s in that spirit, he says, that he once called Al Lord, the chief executive officer of Sallie Mae, the giant of the student loan industry, at home at 3 a.m. “The point there is that we the borrowers lose countless hours of sleep over student loans; why shouldn’t he get at least one night of bad sleep?” he asks. And it’s in that spirit of accountability that he pinpoints “who did it” -- that is, who created the current loan system -- on the Student Loan Justice Web site, complete with some contact information.

Questioning the Tactics

Collinge's tactics have, some in the loan industry say, gone too far and undercut his own credibility -- but their distaste for Collinge is not just political, as might be expected, but more personally tinged and, in some cases, still stinging. After all, in one 2005 e-mail to a loan official, Collinge called the recipient “an evil fuck” and “piece of shit,” and asked, “How

much money have you made off the backs of defaulted student borrowers? Are you proud of what you have done? What do you say to the hundreds of thousands of people who's [sic] lives you have committed your career to paralyzing just so your buddies ... can buy second and third homes."

Student Loan Justice's advocacy, one lobbyist working on guaranteed loan interests in Washington says, has in the past included "reckless allegations" and attempts to discredit groups in the legislative arena. "You've got to be civil to be listened to," says this lobbyist, who asked for anonymity because of concerns about becoming a target for personal attacks from Collinge and his followers.

"I still stand behind that statement," Collinge said Wednesday about the 2005 e-mail, recalling (with apparent pride) another "juicy" one he sent as well. "These are the sort of things that we do. This PAC is emotionally driven; there are times profanity is a pretty useful weapon. I'm echoing the sentiments of my members when I use that sort of language." He sent an e-mail later that day backing down from his earlier statements, however, calling his word choice in the 2005 e-mail "a bit unwise, and probably inappropriate. However, the sentiment behind the note was heartfelt and quite accurately reflective of the sentiment exhibited by the borrowers who I hear from."

Collinge's "full speed ahead" mentality has made even some advocates for loan reform -- those who are generally on his side of the issue -- question his effectiveness at times. "Frankly, the way that they presented themselves in the beginning, it was very extreme. [Collinge] seemed very obsessed; I wasn't sure what he had to contribute," says Anya Kamenetz, author of *Generation Debt* (Riverhead, 2006) and its blog. "As he's grown in size, and grown in the number of people who are sharing their stories, he's gained legitimacy. It's no longer just what Al Lord did, or his private jet."

Some advocates for borrowers, while not specifically endorsing Student Loan Justice, argue that the more aggressive tactics are just one piece of the advocacy puzzle. “It’s the same debate that people have been having forever," said Deanne Loonin, a staff lawyer for the National Consumer Law Center, which works on student loan and other issues. "Some people are comfortable keeping it in a ‘professional environment’ where it’s mostly lobbyists talking to each other, and some people are really uncomfortable with other sorts of strategies, the ‘take it to the streets’ strategy. If you take a look at all of the political movements in the United States in the last 100 years, it’s usually involved a combination.”

She adds: “Debt issues and debt borrower issues in particular are something where that ‘take it to the street’ element has sometimes been missing."

From Advocate to Lobbyist?

But will Collinge’s no holds barred message, so far isolated from the policy debate where more established players like the higher education associations and groups like the Project on Student Debt and U.S. Public Interest Research Groups' Higher Education Project are doing the heavy lifting, ultimately prove to be lasting and effective? And will the PAC prove to be the best forum for his advocacy, which has been distinguished by his outside-the-beltway style?

Asked whether he fears being perceived as a lightweight in the policy discussions, a defaulted borrower with a Web site as his bullhorn, Collinge says he simply does not care. “Up until now, the current structure in Washington, D.C., has failed the borrowers; at this point, something new is needed.”

He concedes that student loan debtors present a difficult fund-raising challenge, and describes modest goals (especially vis-a-vis the deep pockets of the lenders). Total contributions to the PAC stand at just around $2,000 so far, mostly in $10 to $50 checks from 75 Student Loan Justice members, Collinge says.

Collinge says he has another $6,000 in commitments, and asserts that if he can raise $7,000 to complete the bus tour by May, and another $7,000 after that, the non-partisan PAC will be in good shape to write some small but strategic checks to Congressional candidates, either Democratic or Republican, who support the PAC's agenda: legislation that would allow those who have been in default for five years to repay only what they originally borrowed, or a "reasonable amount of interest," or the amount the federal government paid for the guarantee of the loan; grant borrowers the right to refinance their debt to get lower interest rates; ban endorsements of lenders by colleges; return "standard consumer protections" to student loans and make student loan repayments tax-deductible.

"The passion that we bring hopefully will be enough to tip the scales," says Collinge, who adds that while he'll be traveling alone, he expects to be met by members at every step of the way. There are no paid employees at the PAC, and Collinge says he works as a volunteer.

Meanwhile, as he volunteers, his debt, now in the hands of taxpayers, mounts -- along with fears, in the lending sector, that all the attention Student Loan Justice receives legitimizes scofflaws and detracts from people who are struggling, but trying, to make their monthly payments.

Collinge, who obtained a master's degree in aerospace engineering from the University of Southern California in 2000, says he hasn't made a loan payment since he defaulted in the winter of 2001-2, after leaving a staff scientist position at the California Institute of Technology. After seeing his payments skyrocket, he started the Web site and, more recently, requested a review of his case in May from the U.S. Department of Education (around the time his story appeared on *60 Minutes*).

He says that he has attempted to negotiate a settlement, and "would be thrilled" to be allowed to pay $60,000 and call it even. After being laid off from a job in the defense industry in December -- because, he says, his poor credit restricted him from obtaining

security clearance -- he decided to do the bus tour full-time. He estimates he owes $110,000 to the federal government now, based on his last bill for about $101,000 a year ago.

“Mr. Collinge graduated with a master’s degree from USC, one of the finest institutions in the country. Somehow, 99.7 percent of the people who graduate from USC with a master’s degree are able to pay back their student loans on time and enjoy the benefits of their education,” said Tom Joyce, a spokesman for Sallie Mae, Collinge’s original lender and a prime target of his wrath. “We certainly wish that Mr. Collinge would spend his money, time and energy repaying current and future students who rely on the student loan program and rely on people to pay back their debts so they can afford to go to college.”

Collinge says he hopes to be back to work as an engineer, “writing scholarly papers,” within two years, after the PAC establishes itself and, hopefully, he says, meets its goals. Within one year, he said, Student Loan Justice will ideally have “freestanding, semi-autonomous chapters in every state that can function on their own.”

Only time will tell whether or not he’ll make a difference politically before that happens, say observers like Loonin of the National Consumer Law Center and Robert Shireman, executive director of the Project on Student Debt, which is widely credited for leading the effort to put student loan issues squarely on the political agenda in Washington. “They’ve certainly been in the public discourse and quoted. I don’t know whether they’ll have an impact in terms of the political action side of things,” says Shireman . “Borrowers who are most upset about the way they’ve been treated have gone to Student Loan Justice as the place to tell their stories. Whether they can raise a lot of money to really have an impact as a political action committee, I don’t know, but it’s been interesting to see the development of the organization.”

Kamenetz, the *Generation Debt* author and journalist, says Collinge might prove successful in politics, given the weight of his supporters that he will carry with him. Even without a PAC behind him, she says, “He’s been remarkable in getting the ear of

Congressional staffers. There have been times that he's referred me to Congressional staffers that he's had conversations with."

The lobbyist working on guaranteed loan interests in Washington doubts Collinge will make a big impact on the legislative front. "I'd be extremely surprised if they were able to collect funds to have a viable political action committee," given the indebtedness of the PAC's main group of potential supporters. The lobbyist adds that, unlike many other groups lobbying for loan reform, there's no evidence that the Student Loan Justice organization has done the homework it needs to go out to play legislative hard (or soft) ball. "To the extent that they want a seat at the table, they're going to have to do the homework."

The reality is that as Collinge starts motoring toward Portland, Ore., his first stop, he'll tread down a path already blazed. With the word in Washington that the new Democratic leadership hopes to halve the interest rate on many student loans and cut subsidies for banks, he is, regardless of his own impact so far or in the future, driving into a relatively friendly climate where a lot of the groundwork has already been laid by groups like Shireman's and the U.S. PIRG.

"I think there are a lot of people who are eager to have a conversation about repayment," says Becky Timmons, assistant vice president for government relations at the American Council on Education. Timmons says she can't evaluate the potential of the new PAC on its merits, but says its legislative agenda isn't out of line with what's being proposed elsewhere: "Since a good portion of their agenda overlaps what lots of other student aid advocates are also concerned about, they may make some progress."

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