

SpousalConsolidation.DoUsPart!

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f Spousal Consolidation . Do Us Part!



Executive Summary

We are dedicated members of our society stuck in loans that leave few options. Some of us are **tied to abusers** through these loans. Some of us have **uncooperative former spouses**, leaving us to pay the full balance of our shared loans. Some of us are public service workers, dedicating our lives to improving the lives of others. We all seek **freedom to choose** how we manage our loans and the right to separate these loans.

**Budget Neutral
Bipartisan
Bicameral
Common Sense**

We seek to have the **Joint Consolidation Loan Separation Act** passed into law. Many of us are seeking **freedom** from former spouses that are uncooperative and/or abusive. **This bill does not provision student loan forgiveness, but rather allows two comakers of a Joint Spousal Consolidation Loan to split the loan into individual loans based on respective loan portions**, thereby granting **freedom of choice** and **equitable access** to financial options and freedom from former spouses.

Joint-spousal consolidation loans are a unique form of hell. They remain **a rusty shackle that binds former spouses and victims of abuse, permitting financial abuse to persist well beyond divorce**. In a majority of cases across our group, the victim has been left footing the bill of their former abuser. **Despite the recent Reauthorization of Violence Against Women Act 2022, which statutes the term 'financial abuse', there is no regulatory mechanism to separate these loans.**

"Survivors of domestic violence should never have to pay the debts of their abuser. This legislation would provide financial independence to those survivors who previously consolidated their student loan debt with their partner. I am proud to join Senators Warner and Cornyn in reintroducing this legislation, and I urge my Senate colleagues to support this bill to deliver relief to these individuals."
~Senator Marco Rubio, co-sponsor S1098

The loan holds financial liberties captive and prevents any real reprieves for spousal consolidation borrowers, thereby minimizing access to the 'American Dream' and forcing debtors into legal, financial and physical peril and compromise.

There have been **26,526 unique joint consolidation loans** carried by **14,782 unique borrowers**. They have been plagued with **high default rates**. Congress instituted this program in 1992 as a student debt solution to ease management and affordability for student borrowers. **In 2006, Congress abandoned this program to avert default risk due to divorce rates**. While Congress, servicers and investors walked away from the risk, **borrowers were left strapped to it with no recourse in a literal policy vacuum.**

The **Joint Consolidation Loan Separation Act (S.1098 with Amendments)** would finally sunset the joint consolidation program in its entirety after 16 years of policy vacuum. This Act is a piece of legislation that is **budget neutral, bipartisan, bicameral and common sense.**

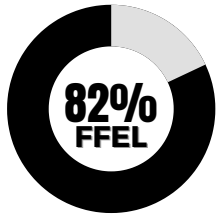


The JOINT CONSOLIDATION LOAN SEPARATION ACT

does not provision student loan forgiveness, but rather allows SEPARATION of Joint Spousal Consolidation Loans. In doing so, it...

... restores hope to loan holders tied to former spouses, many of which are uncooperative or abusive, and to those seeking equitable access to Direct Loan programs.

Our combined payments, to date, comprise 80% of the original balance, yet we still owe 136%.



85%
cannot
reconsolidate
into Direct
Loans

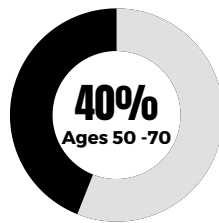
34%
are tied to their
former spouse
or abuser only
through this
loan

97%
were not aware of
Congress's intent for
impending program
abandonment in 2006

A generation of borrowers

40+

Raising children, sending children to college, caring for aging parents & retiring



"Since 2017 I have been making automatic payments of \$350 monthly, but still am dealing with this loan because it's not under an actual repayment plan. I can't rehabilitate my account because my ex-husband is not responsive. This affects my security clearance and I have had to explain to my employers why I'm in default."

~ Nickie, SpousalConsolidation.DoUsPart member



"...The bottom line is this spousal consolidation has kept me bound to my abuser. These loans have continued to be an avenue in which my abuser continues to intimidate and abuse me. The government has allowed this with no solutions. They have forgotten me."

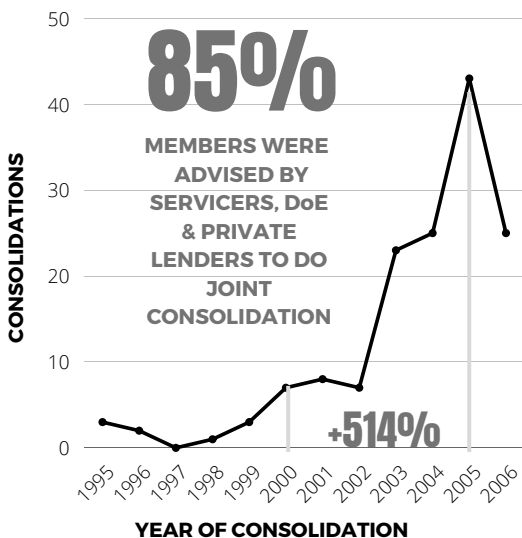
~Jen, a SpousalConsolidation.DoUsPart! member

... removes a rusty shackle that binds former spouses and victims of abuse, permitting financial abuse to persist well beyond divorce.

"... When survivors escape abuse, they should be able to start over without the debts of their abusers. We applaud this bill for creating a solution for those survivors who consolidated loans either in good faith or under duress and are now rebuilding their lives..."

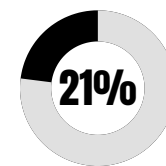
~Monica McLaughlin, Director of Public Policy at the National Network to End Domestic Violence.

... releases captive financial liberties, which force borrowers to face legal, financial and physical peril and compromise, due to the policy vacuum left by striking the program in 2006.

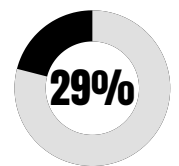


91%
At age 40+, cannot
grow their
retirement &
liabilities > assets

84%
Cannot budget
and save for the
tax bomb from IDR
forgiveness

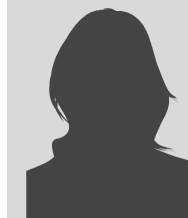


**DEFAULT(ED)
OR EXPECTED**



**BANKRUPT(ED)
OR EXPECTED**

60%
Feel debt stress
weekly,daily or
more than once
a day



"...I've filed bankruptcy. My ex-husband is unresponsive and I must forge his name to recertify for IDR... As is, I am in a hopeless situation that I cannot get out of. My health is impacted, my anxiety and blood pressure require medication, and I am hoping for a miracle that will bring relief. I am 57."

~Lorine, SpousalConsolidation.DoUsPart! member