



NAACP

WASHINGTON BUREAU

August 28, 2019

The Honorable Elizabeth Warren
United States Senate
Washington, D.C. 20510

**RE: NAACP STRONG SUPPORT FOR AND ENDORSEMENT OF S. 2235,
THE *STUDENT LOAN DEBT RELIEF ACT***

Dear Senator Warren,

On behalf of the NAACP, our nation's oldest, largest and most widely-recognized grassroots-based civil rights organization, I would like to thank you for your leadership in introducing S. 2235, the *Student Loan Debt Relief Act*. Outstanding student loans now total nearly \$1.5 trillion in the U.S., an increase of 170 percent since 2006. The total amount owed is second only to mortgage debt and surpasses even credit card debt. Upon enactment, this bill would help eliminate up to \$50,000 in student loan debt for as many as 42 million Americans, providing debt relief to 95% of student borrowers, including cancelling student debt entirely for 75% of borrowers.

Moreover, the burden of student loan debt has a substantial impact in perpetuating, and even worsening, the "racial wealth gap." Families of color are more likely to need to borrow for higher education, will have less income with which to pay it, and have less of a cushion to withstand future financial shocks, thus contributing to a higher likelihood of delinquency and default on student loan debt. Experts estimate that by aggressively addressing outstanding student debt, your legislation will result in African American families with student loan debt seeing their wealth grow by about \$15,700 and Latinx families would see their wealth grow by over \$27,000.

In 2016, 42% of African American families had student debt compared to 34% of white families. Moreover, African American students hold \$7,400 more in

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debt than white students at graduation. Just a few years after graduation, the debt gap triples to \$25,000. Many African American borrowers still owe more than 100% of their loan balance 12 years after college, regardless of their degree.

Thank you in again for your leadership and your foresight in aggressively addressing this very serious problem. Should you have any questions or comments, please do not hesitate to contact me at my office at (202) 463-2940.

Sincerely,

A handwritten signature in black ink, appearing to read "Hilary O. Shelton". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Hilary O. Shelton
Director, NAACP Washington Bureau &
Senior Vice President for Policy and Advocacy