

How to Solve the 5-Trillion Dollar Student Loan Crisis

Nevade US Senate Candidate Barry Cameron Lindemann proposes utilizing the Fed Funds rate to lower student loan payments to ensure reasonable debt levels.

LAS VEGAS, NEVADA, UNITED STATES, September 23, 2022 /EINPresswire.com/ -- No person takes on [student loan](#) debt with the idea that they will default on their loan. It's just the opposite. People believe that with their new education they will be able to pay their student loan debt and all the other bills which life incurs on their path to great success.

Ponder a few things regarding your student loan. If you graduate in a poorly performing economy, how are you supposed to become gainfully employed? If you are not gainfully employed in this poorly performing economy, how are you to repay your student loan debt? Also, who or what is responsible for the poorly performing economy? If you cannot pay the debt what are the penalties? Who or what sets your interest rate, and who or what owns your loan?



Senate Candidate Nevada - Barry Cameron Lindemann

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Am I saying it's government's fault? Mostly.”
Barry Cameron Lindemann

The answer almost always has to do with government, its action, or the lack thereof.

Here's an observation: student loan debt balloons when easy money from the government assuages institutions from competing for students. The government keeps

lending no matter what (sounds like the real estate crisis of 2008), and tuition costs are not being kept in check by competition.

The current idea of forgiving student debt is bad (it hurts me to say as I still have student debt from 2015). All it will do is add more debt to the national balance sheet and drive the US deeper into recession, or worse.

Immediately, the government should take these steps to make student loan repayments

manageable.

1.) 98% of all student loan funds are borrowed from or owned by the federal government. This is analogous to major banks borrowing money from the government for their lending business. Unlike the major banks, you nor I, get to borrow money at the Fed Funds rate of 3.25% (as this is being written). The government should not be finding ways to steal from former students who are emerging to a poor job market by slapping them with a 7% interest rate when the borrower could be at the Fed Funds Rate of 3.25%. Smaller payments make for a manageable life in economic downturns and inflationary periods. This is what the government should do for us.

2.) Penalties on student loan borrowers should be forgiven. All penalties. The government is eternal. As long as the loan is paid during the [amortization](#) period no penalties should apply. All amortization periods should be 20 years or greater.

3.) No borrower should pay more than the principal and interest on the loan. Once a borrower has made enough payments to repay the principal and interest, the loan should be noted as "paid off". To keep the government in check, the government should NOT be allowed access to any interest generated from your payments until the loan is paid in full.

Government organizing itself for profit is really what is going on. That is wrong. Bad government policy creates a bad economy into which students descend after graduation. Then students are penalized for not being able to become gainfully employed, and suffer the penalties associated with nonpayment of the student loan debt.

Am I saying it's government's fault? Mostly. Make the [payment](#) terms reasonable. Government isn't a banker and need not make a profit. Government is perpetual.

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