

RE: Pledge to the New Middle Class

The Center for Education and Training Reform (CETR) represents the 44.7 million student loan holders who owe \$1.7 TRILLION dollars and the 8.9 million student loan holders over age 50. Student loans now represent the largest installment debt sector that is only exceeded by home mortgages; debt that is greater than both automobile and credit card debt combined. One in every four adults now has student debt and one in two voters are affected by student debt. Student loans threaten to be the next 2008 financial bubble. And as the pandemic continues to wreak havoc on the economy, the student loan problem will exacerbate. All current and proposed “student loan solutions” either nibble at the edges of the problem, have income caps, only cover public colleges and universities, do not cover private student loans (20% of the total) or do not address the need for a transition period to increase state and federal funding for education.

CETR was formed as a 501(c)4 nonprofit corporation to address this and other education and training issues. As its first project, CETR has undertaken a grassroots campaign to **change student loan payments into federal tax credits: the Student Tax Option (STOP) Act.**

This is a nonpartisan campaign aimed at having members of Congress and candidates for Congress commit to passing the **STOP Act**. The **STOP** approach provides an incremental change period that keeps the current system in place while the process of increasing general taxation by state and federal governments works to reduce the need for the student loan system. **In the process, a new middle class is created that will unleash an estimated \$17 billion in disposable income into the economy each month for years to come.** Faced with a need to speed economic recovery, this new middle class will drive the recovery by doing the things that student debt has kept them from doing: buying automobiles; getting married; buying homes; and starting families.

The two prongs of this campaign are: first, identifying the members of Congress who sign the pledge to pass the **STOP Act**; and second, keep student loan holders and supporters of CETR informed of those members of Congress and candidates who pledge to pass the **STOP Act**.

Enclosed with this memo are two attachments: a copy of the **Pledge to the New Middle Class**; and a copy of the draft **STOP Act**. You are encouraged to read the **Act** and sign the pledge. After you have signed the pledge, please send it to: info@StudentTaxOption.org or the address below. Thank you for your support!

For further information on CETR and the **STOP Act**, please review our website: StudentTaxOption.org.