



Testimony of Jason Delisle  
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Hearing Topic: “The Economic Exposure of Federal Credit Programs”

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Chairman Coats, Ranking Member Maloney, and members of the committee, thank you for the opportunity to testify about the costs of federal credit programs and the federal student loan program in particular.

In the early 1990s, Congress made important changes to the way federal loan programs are treated in the budget with the enactment of the Federal Credit Reform Act (FCRA).<sup>1</sup> Leading up to the enactment of that law, most budget experts and economists agreed that existing budget practices, which treated loans on a cash-in cash-out basis, made it difficult to discern what federal loan programs cost taxpayers.<sup>2</sup> That approach also had the distorting effect of making direct federal loans appear as grants in the year they were issued and making a government guarantee of the same loans appear free. FCRA corrected those flaws by putting federal loans on an accrual basis so that the budget measures and states their cost on a present value basis. The budget now reflects the lifetime cost of the loan as a lump sum in the year it is made.

For all the benefits of the FCRA approach over what it replaced, it still fails to provide lawmakers and the public with an accurate measure of the obligations taxpayers face through government credit programs. That is because lawmakers included a provision in the original law that systematically understates the cost of government loan programs. As the nonpartisan Congressional Budget Office explains, “FCRA-based cost estimates, however, do not provide a comprehensive measure of what federal credit programs actually cost the government and, by extension, taxpayers.”<sup>3</sup> As I will discuss later in my testimony, that less-than-comprehensive measure of costs creates unusually perverse incentives for policymakers.

Switching to an accrual accounting approach is undoubtedly better. The issue is how the law instructs budget agencies to carry out that approach. Specifically, budget analysts must estimate the cost of loan programs using a discount rate -- the rate at which future cash flows are converted to a present value -- that reflects the interest rates on U.S. Treasury securities of comparable maturities. Thus, the law requires that risky cash flows be discounted at a risk-free rate. The expected average cash flows for a federal loan portfolio are treated as if they were financially indistinguishable from the cash flows of a U.S. Treasury security with the same expected performance.

Of course, the average expected cash flows from a government loan, such as those made to college students, are riskier than a U.S. Treasury bond with the same expected performance. A better approach then, one endorsed by the Congressional Budget Office (CBO) and many academic economists, including those at the U.S. Federal Reserve, is to discount the cash flows using a market-based rate because it incorporates the cost of bearing market risk, also called "fair-value" accounting.<sup>4</sup> I will point the members of the committee to several sources that explain that method further and show why it is the right approach for measuring the cost of government loan programs.<sup>5</sup> I devote the remainder of my testimony to discussing the effects of both FCRA and fair-value accounting (FVA) on the federal student loan program.

### **The Federal Student Loan Program**

The federal student loan program is the second largest government credit program. Only the mortgage programs under the Federal Housing Administration are larger, although not by much, and some sources show that student loans may have actually eclipsed those programs in size. The student loan program issues over \$100 billion annually in new loans, and outstanding balances total \$1.2 trillion.<sup>6 7</sup> The program has grown rapidly in recent years, with outstanding balances now almost three times higher than ten years ago. Prior to 2010, the program issued loans both directly and as federal guarantees under the Federal Family Education Loan program. Since then, all new loans have been issued as direct loans.

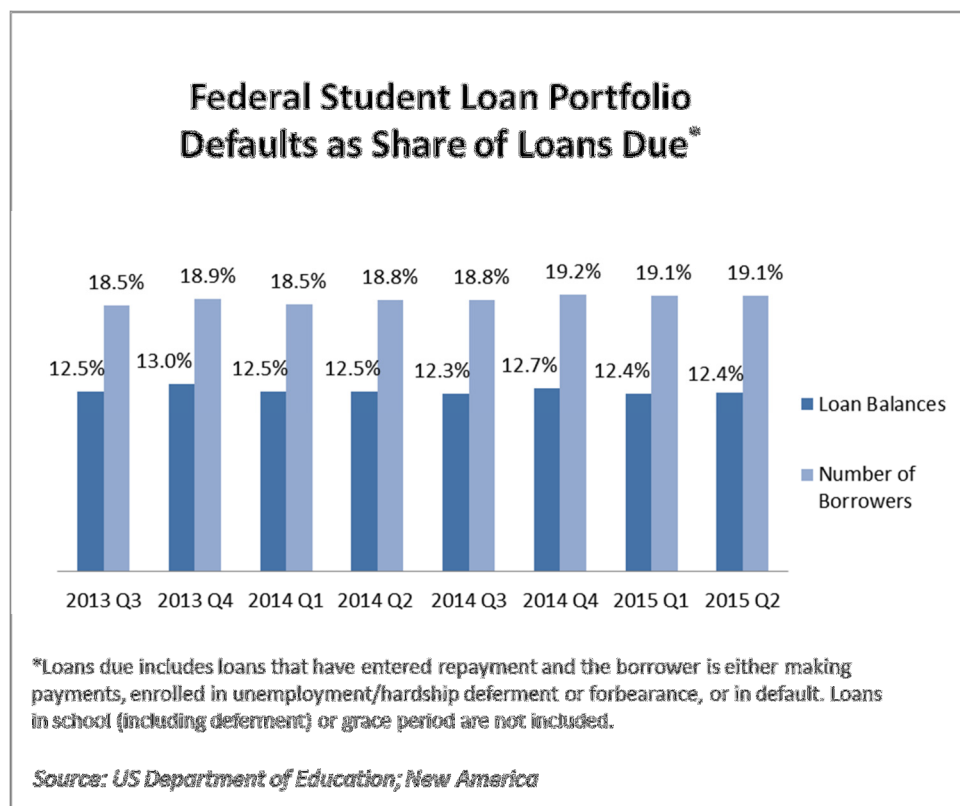
The tables below provide information about the status of the loan portfolio and how it has changed over time. Data prior to 2013 is very limited, as the U.S. Department of Education only recently began providing information about the loan portfolio.<sup>8</sup>

## Federal Student Loan Portfolio Status By Year

|                 | 2006        |       | 2013 (Q3)   |       | 2015 (Q1)   |       |
|-----------------|-------------|-------|-------------|-------|-------------|-------|
|                 | \$ Billions | Share | \$ Billions | Share | \$ Billions | Share |
| In-School/Grace | 86          | 19.5% | 193         | 19.3% | 190         | 16.9% |
| Repayment       | 229         | 51.9% | 494         | 49.4% | 601         | 53.6% |
| Deferment       | 49          | 11.0% | 122         | 12.2% | 130         | 11.6% |
| Forbearance     | 39          | 8.8%  | 91          | 9.1%  | 127         | 11.3% |
| Default         | 39          | 8.8%  | 89          | 8.9%  | 108         | 9.6%  |
| Other           | 0           | 0%    | 10          | 1%    | 11          | 1%    |
| Total*          | 441         | 100%  | 999         | 100%  | 1,122       | 100%  |

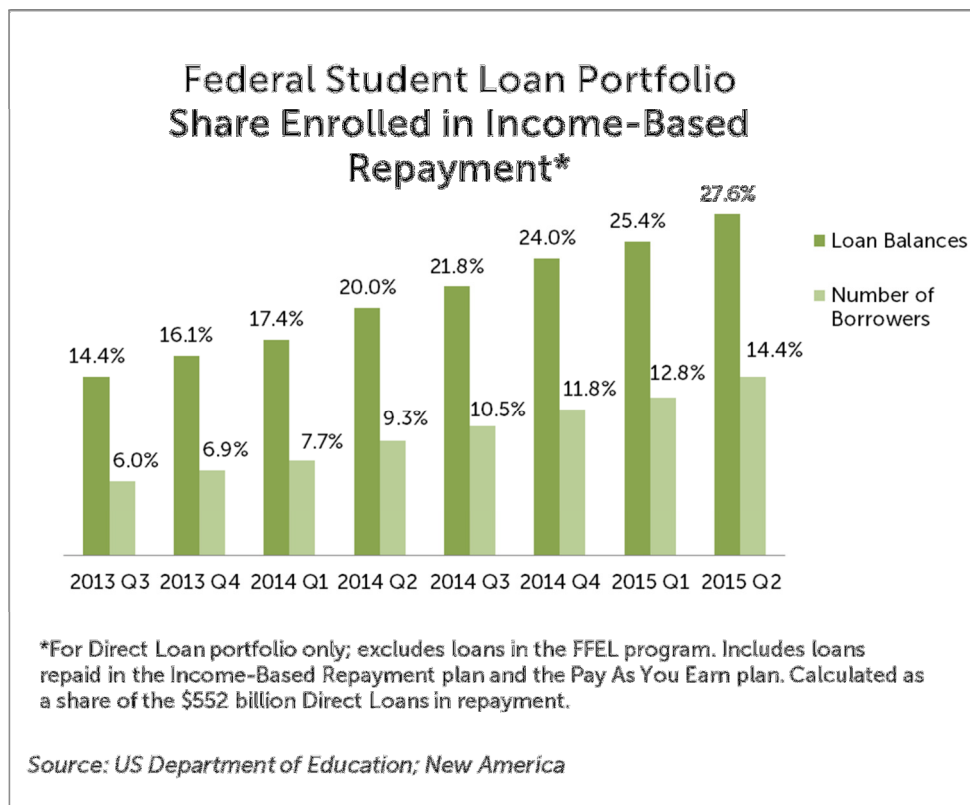
Sources: New America; For outstanding loan value in 2006, President's Fiscal Year 2008 Budget Request, Analytical Perspectives; For portfolio by repayment status in 2006, "Guaranteed vs. Direct Lending: The Case of Student Loans" in Measuring and Managing Federal Financial Risk <http://www.nber.org/chapters/c3038.pdf>; For portfolio by repayment status in 2013 and 2015, U.S. Department of Education, Office of Federal Student Aid, "Federal Student Loan Portfolio" <https://studentaid.ed.gov/about/data-center/student/portfolio>.

\*Share may not add to 100% due to rounding.



There are two sets of features in the federal loan program that are important to any discussion about program costs. First, federal student loans are made on what is effectively a no-questions-asked basis. That is, there are virtually no underwriting criteria, which stands in contrast to private loans as well as other federal loan programs. Most institutions of higher education can receive the loans, and students are eligible regardless of their credit histories, current or potential earnings, or choice of educational program from a sub-baccalaureate certificate, to a four-year degree, all the way to a master's or professional degree.

The second set of features important to the discussion is the repayment terms. They are far more generous to the borrower than what a private lender would offer. They include not only a below-market interest rate (4.29 percent fixed for loans issued in the 2015-2016 school year) but nearly a dozen repayment options. Borrowers can opt to extend the terms on their loans to up to 30 years without an increase in the interest rate, and they can use an income-based repayment option that lets the loan negatively amortize and offers loan forgiveness after 10 or 20 years of repayment. Borrowers can also put their loans into forbearance with as little as a phone call, and the Direct Loan program does not charge penalties for late payments until the loan is nearly a year past due (i.e. in default). Forbearances and deferments for unemployment and economic hardship now total 18 percent of loan balances that have come due and 14 percent of borrowers whose loans have come due.<sup>9</sup> Enrollment in income-based repayment plans is also growing rapidly.



### Cost of Federal Student Loans Repaid in Income-Based Repayment & Pay As You Earn Plans Under FCRA (Loans Issued in 2014)

|                       | Subsidy Rate | Admin Costs <sup>1</sup> | Subsidy + Admin | Volume (Billions) | Present Value Lifetime Cost (Billions) |
|-----------------------|--------------|--------------------------|-----------------|-------------------|--|
| Subsidized Stafford   | 14.6%        | 1.7%                     | 16.3%           | \$3.8             | \$0.6                                  |
| Unsubsidized Stafford | 14.2%        | 1.7%                     | 15.9%           | \$11.8            | \$1.9                                  |
| Parent and Grad PLUS  | 7.5%         | 1.7%                     | 9.2%            | \$3.0             | \$0.3                                  |
| Consolidation         | 32.5%        | 0.4%                     | 32.9%           | \$25.1            | \$8.3                                  |
| <b>Total</b>          | <b>24.3%</b> | <b>0.9%</b>              | <b>25.3%</b>    | <b>\$43.7</b>     | <b>\$11.0</b>                          |

Source: New America using President's FY16 Budget Request Appendix

1. Reflects average administrative costs for all repayment plans. Figures for Income-Based plans are not provided and are likely significantly higher than the average.

I list these features because they help to illustrate that students and borrowers receive substantial benefits through the federal student loan program — which is what policymakers intended. The program is meant to make subsidized credit available to students with few restrictions on who may receive a loan to ensure broad access to a postsecondary education. Intuitively, when the federal government provides subsidies to the beneficiaries of programs, those subsidies impose a cost on taxpayers. But because of the flaws in FCRA, the budget shows just the opposite. The federal student loan program as a whole appears to earn a net return for the government.

#### Student Loan Cost Estimates: FCRA vs Fair Value

According to the latest estimates under FCRA, federal student loans issued over the coming 11 years will earn \$6.5 billion per year. That figure reflects the CBO's March 2015 baseline estimates and administrative costs reported in the president's budget request.<sup>10 11</sup> However, the CBO reports that under fair-value accounting (FVA) the cost estimate changes from a projected gain to a projected loss. After adding administrative costs, a CBO estimate published last year shows that the federal student loan program is projected to *cost* \$10.5 billion per year.<sup>12</sup> Note that because both FVA and FCRA are accrual accounting methods, those costs reflect the *lifetime* costs of the loans issued in each year in the forecast. That is different from the 10-year cost estimates that Congress is used to, which reflect outlays in only those years. FVA and FCRA reflect all of the cash flows from loans issued in a given year, whether those cash flows occur within or outside a 10-year budget window.

The difference between the FCRA and FVA estimates is solely the result of using a risk-free discount rate in FCRA and adding a risk premium to that rate for FVA. The risk premium the CBO has historically used ranges from 3.5 percentage points to 2.4 percentage points added to a U.S. Treasury interest rate, depending on the student loan type.<sup>13</sup> Contrary to what some believe about the difference between the estimates, both FCRA and FVA use the same estimates of how much money the government should expect to be repaid and when, taking into account default risk and interest rates. The FVA method does not assume a higher average default rate. Rather, the risk premium reflects that loan performance might be worse than average during times of economic weakness.

The difference in costs between the two accounting measures is larger for the student loan program than for any other federal credit program. That is likely because the market risk that taxpayers bear in the federal student loan program is higher than for other programs. Indeed, the loans are unsecured and made without regard to creditworthiness, which is not the case for other large programs like mortgage guarantees. That is one of the more distorting effects of FCRA. Because FCRA excludes a cost for market risk, the more a loan is affected by market risk, the more FCRA understates its cost and the larger the difference will be under FVA. Thus, as the riskiness of the loan increases so do the apparent gains to the government under FCRA.

All other entities, including the same taxpayers whose money the government uses to make loans, know that the higher potential payoff that comes from taking more financial risk is zero-sum, not a free lunch as FCRA would make it appear. It is another way of saying expected returns must be “risk-adjusted” and explains why people invest in bonds rather than stocks much of the time — bonds have a lower rate of return but they are safer.

### **Critics of FVA Once Supported It**

Economists at the Center on Budget and Policy Priorities who are outspoken critics of FVA actually made that same argument to show that the higher projected returns that investing Social Security funds in the stock market appears to produce net to zero after accounting for the additional risk of owning those assets.<sup>14</sup> Jason Furman, the current chairman of the president's Council of Economic Advisers, wrote a paper in 2005 for the Center on Budget and Policy Priorities that was devoted almost entirely to debunking the higher-return claim made by Social Security privatization supporters. In the paper, Furman appealed to the CBO and its argument for risk-adjusting costs using fair-value methods. Failure to do so, Furman argued, would make it appear that investing in riskier assets produced a “free lunch.” The Center on Budget and Policy Priorities and Jason Furman now believe their earlier view was “mistaken” and that the CBO is and was wrong in supporting FVA.<sup>15 16</sup>

### How FVA Affects the Current Student Loan Program

Both the FVA and FCRA estimates discussed so far are baseline estimates. They are projections for the cost of the federal student loan program in its current form. The program is treated as direct spending (i.e. mandatory spending) in the budget and will continue to exist in its current form until Congress changes it through legislation. Therefore, the CBO projects what the program is likely to cost over the next 10 years, absent a change in the law. Changes to the programs are “scored” against this current-law baseline.

The concept of a baseline projection with respect to the FCRA-FVA debate and student loan costs has led to some confusion. Reporters and student aid advocates have warned that because the FVA estimate shows that the student loan program operates at a cost, the program would face cuts or Congress would have to act to cut the program if FVA became the official accounting method. On the contrary, the student loan program is already in law, and changing accounting rules to FVA would not automatically affect the student loan program nor would it trigger offsetting spending cuts elsewhere in the budget. That the loan program operates at a cost under FVA shows that the loan program provides subsidies to student borrowers, which is what a government loan program is supposed to do. Adopting FVA does not force policymakers to take any action to change the student loan program. In fairness, FVA would show that the budget deficit is larger than currently stated, which could encourage lawmakers to make spending cuts, which may or may not include the student loan program.

Differences between FVA and FCRA have also caused confusion with respect to proposals to reduce interest rates on federal student loans. Because the cost estimates for the loan program in current law switch from gains to losses under FVA, some observers seem unclear about whether FVA has the same effect on proposals to change current law and cut interest rates. In fact, under both accounting methods, the proposals would be scored by CBO as a cost and an increase in the budget deficit. If under the current-law baseline estimates the federal loan portfolio is expected to generate a certain amount of interest, then reducing that future interest must be a cost under either accounting method.

That said, FVA would actually show that cutting interest rates results in a *smaller cost* than under FCRA. That is because cutting interest rates produces a loss of expected interest income in future years. FVA discounts those future losses at a higher rate, making them smaller, resulting in less of a loss than if the same change is estimated using the lower, risk-free discount rates under FCRA.<sup>17</sup>

### How FVA Affects Proposals for New Loan Programs

The flaws in FCRA and a switch to FVA are likely to affect policy decisions the most in cases where lawmakers increase or reduce the amount students can borrow and in proposals to purchase private student loans.



First, consider the case of loan limits. The federal student loan program limits the amount undergraduates can borrow annually and in aggregate. A dependent undergraduate student in her first year of study can borrow only \$5,500. Because estimates under FCRA show that federal student loans that will be made under the existing law earn a positive return, legislation to raise the loan limits will appear to increase those gains. Allowing students greater access to subsidized credit looks as if it reduces the budget deficit under FCRA. Under FVA, such proposals generally have the opposite effect. They increase government costs.

The Obama administration's proposal for a new Perkins Loan program is a prime example of those effects. The Perkins Loan program currently operates alongside the government's much larger Direct Loan program, and the administration would replace it by letting students take out more Stafford Loans under the Direct Loan program (\$5,500 more each year per student), totaling \$8.5 billion annually.<sup>18</sup> The president has included the proposal in his annual budget request many times. The administration and the CBO estimate that this proposal earns around \$400 million per year under FCRA. The Obama administration proposes to use those earnings to offset new spending on the Pell Grant program for undergraduate students. The CBO has occasionally provided a fair-value estimate for this proposal, estimating that it would actually cost about \$600 million per year.

| <b>Obama Administration Perkins Loan Proposal*</b>        |             |             |             |             |             |                |
|---|-------------|-------------|-------------|-------------|-------------|----------------|
| <b>Fair-Value and Federal Credit Reform Act Estimates</b> |             |             |             |             |             |                |
| (\$ millions)   |             |             |             |             |             |                |
|   | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>10-Year</b> |
| Perkins Loan Proposal, FCRA                               | -315        | -760        | -765        | -625        | -505        | <b>-4,300</b>  |
| Perkins Loan Proposal, Fair-Value                         | 110         | 345         | 520         | 630         | 750         | <b>6,450</b>   |

*Source: Congressional Budget Office, 2012*

*\*Negative figures reflect gains; positive reflect cost*

The president's proposal to replace the Perkins Loan program is somewhat paradoxical due to the flaws in FCRA. Allowing students to borrow more federal loans appears to pay for offering many of the same students more grant aid. It is one government program subsidizing another government program and almost suggests that students are paying for their own grants.

FCRA distorts incentives federal policymakers face in another way. As the CBO explains, "purchases of loans at market prices appear to make money for the government..."<sup>19</sup> The government appears to create



value simply by holding a private asset on its books at market value. Proposals that involve the government purchasing private students loans illustrate this effect.

During the recent economic recession, Senator Sherrod Brown proposed that the federal government purchase private student loans, convert them to federal loans, and then reduce borrowers' interest rates. The government would pay the lenders the full outstanding balance on the loans. Borrowers would receive new, better terms and repay the remainder of their loans to the Department of Education. The CBO was required under FCRA to show that this transaction would result in an immediate \$9.2 billion gain to the government. For a more recent proposal of this nature, the Bank on Students Emergency Loan Refinancing Act of 2014, sponsored by Senator Elizabeth Warren, the CBO again estimated a slightly lower net gain for the government of \$5.0 billion.<sup>20</sup>

Note that borrowers would pay *less* interest to the government than they would pay to private lenders under these proposals. Even so, under FCRA, billions in new funds for the government would appear as soon as the transaction was made — funds that under federal budgeting rules could be used to offset new spending or tax cuts all in the first year that the policy was in place. The CBO provided a fair-value estimate for the debt swap proposal in 2009 showing that the proposal would cost \$700 million.<sup>21</sup>

### **Fair-Value is About Cost, Not Benefits**

Discussions about FVA often lead to debates about the merits of the student loan program. That FVA shows student loans impose a cost on taxpayers can be misunderstood as a normative assessment. Arguments in favor of FVA are seen as arguments against the government making loans. Conversely, advocates have made arguments about the need for a robust student loan program and why the government ought to provide loans to students as a case against the government adopting FVA.<sup>22</sup> But FVA is concerned only with the cost of the program, not its benefits. FVA itself is agnostic about the benefits of a loan program, just as cash accounting does not take into consideration the economic and societal benefits of the Pell Grant program or any other government program.

The merits of the student loan program and the merits of accounting rules should be judged separately. Judging the two together simply does not make sense and is a rhetorical tactic likely meant to appeal to broad support for the federal student loan program to distract from the underlying accounting issue. The following passage from an opinion piece in *U.S. News* from earlier this year that argues against the government adopting FVA is typical. Its author clearly aims to make the case for FCRA over FVA by making a case for the student loan program itself.

*Young people everywhere are still struggling to recover from the recession. While unemployment numbers have dropped nationwide, millions of young people are still bearing the brunt of joblessness five years since the recession ended. Of the young people who have been fortunate*

*enough to find jobs, many work in sectors where the median wages are declining. That's why higher education and college affordability are paramount. By 2020, 65 percent of jobs nationwide will require education beyond high school, a goal that the U.S. will fail to reach if Congress does not seize the moment to invest in higher education.*<sup>23</sup>

Of course, none of those arguments are any less compelling under FVA or FCRA. Nor do they have anything to do with the issue at the heart of the FVA-FCRA debate.

### **Recommendation: Amend FCRA But Do Not Mandate FVA**

While it would seem obvious to recommend that Congress change FCRA and require that budget estimates use a market-based discount rate, Congress should not take that approach. Mandating a specific type of discount rate is what created the problems with FCRA in the first place. This is an unusual intrusion on the discretion Congress affords the CBO, given its mandate to provide lawmakers with what it deems the best estimate of the cost of a policy. When the CBO develops estimates for other federal programs, like the Pell Grant program, Congress does not require it to assume a certain rate of inflation or growth in student enrollment. The CBO uses what it believes is the most appropriate set of assumptions.

In that regard, Congress should simply amend the language of FCRA to give budget agencies the freedom to use the discount rate they deem will result in the best estimate. Given the widespread view among financial economists and budget experts, including those at the CBO, that the appropriate discount rate is one that reflects the riskiness of the loan that the government makes, the end result will surely be fair-value accounting. But it will be an accounting decision that is free of congressional — and partisan — interference. That is the ideal type of accounting.

<sup>1</sup> Section 504(d) of FCRA, 2 U.S.C. § 661c (d) (2006).

<sup>2</sup> Jason Delisle, "Learning from History: Correcting the Credit Reform Act," *Economics 21 at the Manhattan Institute*, December 13, 2010, <http://economics21.org/commentary/learning-history-correcting-credit-reform-act>.

<sup>3</sup> "Fair-Value Accounting for Federal Credit Programs," *Congressional Budget Office*, March 2012, [http://www.cbo.gov/sites/default/files/03-05-FairValue\\_Brief.pdf](http://www.cbo.gov/sites/default/files/03-05-FairValue_Brief.pdf).

<sup>4</sup> Kelly D. Edmiston, Lara Brooks, and Steven Shelpelwich, "Student loans: Overview and issues," *Federal Reserve Bank of Kansas City Research Working Papers*, April 2013, <https://www.kansascityfed.org/publicat/reswkpap/pdf/rwp%2012-05.pdf>.

<sup>5</sup> See <http://www.nber.org/chapters/c3039.pdf> and Financial Economists Roundtable, "Statement on accounting for the cost of government credit assistance," October 16, 2012. and <http://www.nationalaffairs.com/publications/detail/the-case-for-fair-value-accounting>.

<sup>6</sup> "CBO's March 2015 Baseline Projections for the Student Loan Program," *Congressional Budget Office*, March 2015, <https://www.cbo.gov/sites/default/files/cbofiles/attachments/44198-2015-03-StudentLoan.pdf>.

<sup>7</sup> "Federal Student Loan Portfolio," *Federal Student Aid, U.S. Department of Education*, <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.

<sup>8</sup> "Federal Student Loan Portfolio," *Federal Student Aid, U.S. Department of Education*, <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.

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- <sup>9</sup> “Federal Student Loan Portfolio,” *Federal Student Aid, U.S. Department of Education*, <https://studentaid.ed.gov/sa/about/data-center/student/portfolio>.
- <sup>10</sup> “CBO’s March 2015 Baseline Projections for the Student Loan Program,” *Congressional Budget Office*, March 2015, <https://www.cbo.gov/sites/default/files/cbofiles/attachments/44198-2015-03-StudentLoan.pdf>.
- <sup>11</sup> “The Budget for Fiscal Year 2016,” *Office of Federal Student Aid, U.S. Department of Education*, 2015, <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2016/assets/edu.pdf>.
- <sup>12</sup> “Fair-Value Estimates of the Cost of Selected Federal Credit Programs for 2015-2024,” *Congressional Budget Office*, May 2014, <https://www.cbo.gov/sites/default/files/45383-FairValue.pdf>.
- <sup>13</sup><sup>13</sup> “Fair-Value Estimates of the Cost of Federal Credit Programs in 2013,” *Congressional Budget Office*, June 2012, <https://www.cbo.gov/sites/default/files/06-28-FairValue.pdf>.
- <sup>14</sup> Jason Delisle and Jason Richwine, “The Case for Fair-Value Accounting,” *National Affairs*, Fall 2014, <http://www.nationalaffairs.com/publications/detail/the-case-for-fair-value-accounting>.
- <sup>15</sup> Paul N. Van de Water, “Reassessing a View on Federal Accounting,” *Off the Charts* (blog), *Center on Budget and Policy Priorities*, September 26, 2014, <http://www.cbpp.org/blog/reassessing-a-view-on-federal-accounting>.
- <sup>16</sup> Michael Grunwald, “The (Real) Bank of America,” *Politico Magazine*, January/February 2015, [http://www.politico.com/magazine/story/2015/01/federal-loans-bank-of-america-113920\\_Page4.html#.VXrcr5OrHfc](http://www.politico.com/magazine/story/2015/01/federal-loans-bank-of-america-113920_Page4.html#.VXrcr5OrHfc).
- <sup>17</sup> Jason Delisle, “Warren Refinancing Bill Costs Less Under Fair-Value Accounting,” *EdCentral* (blog), *New America*, June 12, 2014, <http://www.edcentral.org/warren-refinancing-bill-costs-less-fair-value-accounting/>.
- <sup>18</sup> “Fiscal Year 2016 Budget Summary and Background Information,” *U.S. Department of Education*, 2015, <http://www2.ed.gov/about/overview/budget/budget16/summary/16summary.pdf>.
- <sup>19</sup> “Fair-Value Accounting for Federal Credit Programs,” *Congressional Budget Office*, March 2012, [http://www.cbo.gov/sites/default/files/03-05-FairValue\\_Brief.pdf](http://www.cbo.gov/sites/default/files/03-05-FairValue_Brief.pdf).
- <sup>20</sup> Douglas Elmendorf - Congressional Budget Office, Letter to Senator Elizabeth Warren, June 4, 2014, <http://www.cbo.gov/sites/default/files/s2292.pdf>.
- <sup>21</sup> “Preliminary Estimate of S. 1541, the Private Student Loan Debt Swap Act of 2009, as Introduced July 30<sup>th</sup> 2009,” *Congressional Budget Office*, November 17, 2009, <http://higheredwatch.newamerica.net/sites/newamerica.net/files/articles/Preliminary%20Estimate%20of%20S%201541.pdf>.
- <sup>22</sup> Jennifer Wang, “No Value for Students,” *U.S. News*, January 22, 2015, <http://www.usnews.com/opinion/articles/2015/01/22/fair-value-accounting-hurts-students-who-need-federal-loans-for-college>.
- <sup>23</sup> Jennifer Wang, “No Value for Students,” *U.S. News*, January 22, 2015, <http://www.usnews.com/opinion/articles/2015/01/22/fair-value-accounting-hurts-students-who-need-federal-loans-for-college>.