



Dale Glading: St. Barack, trolling for college student votes, gives them loan breaks now, but just wait until negative financial effects hit government down the road

St. Barack offers holiday presents for American college students But president's pandering for votes will have negative financial consequences for students, nation in longer run

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As the father of three college-age children, you would expect me to be supportive of President Barack Obama's recent college loan proposal. Actually, it was more than a proposal because the president chose to unilaterally implement the measures, bypassing Congress and issuing an executive order instead.

So why am I not leading a parade down Main Street — or in this case, U.S. 1 — to celebrate? Because, in my opinion, the president's decree is nothing more than election year pandering for votes. And in his thinly veiled attempt to win the youth vote, he is simply kicking the economic can down the road one more time.

Ironically, most of the president's proposals had already been passed by Congress and were due to take effect in two years. However, waiting until 2014 would have forced him to share the credit. Now, by circumventing the normal legislative process, Mr. Obama can claim all of the credit — or blame — himself.

I say "blame" because for every good idea included in his plan, there is at least one bad one. Bad as in misleading and bad as in fiscally foolish.

You see, not every student is eligible for the Christmas presents being handed out at taxpayer expense by St. Barack. If you graduated in 2011 or before, you don't qualify. If

your loans were taken out through private banks or via Sallie Mae, you don't qualify either. Miss a single payment or default just once and you're also out of luck.

I support the special consolidation loan provision that can reduce interest rates by 0.25 percent, but once again, students without direct federal loans need not apply. And so you don't think I am a total Scrooge, I also like the income based repayment provision that lowers the cap on discretionary income from 15 percent to 10 percent.

However, my biggest complaint is with the debt forgiveness provision. Congress had passed a law granting debt forgiveness after 25 years. The president reduced that to 20 years and then had the audacity to say that doing so wouldn't impact the federal budget or further increase our national debt.

"And we can do it at no cost to the taxpayer," claimed U.S. Secretary of Education Arne Duncan.

"That is simply not true," responded Neal McCluskey of the Cato Institute.

Studies show that the average student loan debt for graduating seniors stands at \$24,000. For the record, my daughter owes more than twice that much and she didn't attend an Ivy League school, either.

Combined existing student loans total more than \$1 trillion. So, how is forgiving even a small percentage of that amount not going to increase the deficit? Somebody has to pay for it, right?

Yes, the buck will eventually stop where it always does, in the laps of the American taxpayers. However, Mr. Obama is counting on us not figuring that out until after November 2012. Then it will be someone else's problem. In the meantime — or so he hopes — millions of grateful college students will flood the polls to reward him for being so generous with other people's money.

I wonder how long it will take them to realize that once they get a job and start paying taxes themselves, the debt they thought was forgiven will be showing up in higher tax rates for everyone — including them.

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