

Testimony of Ms. Darimir Perez

U.S. Senate Committee on Banking, Housing, and Urban Affairs: Economic Policy Subcommittee

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Hello Chairwoman Warren, Ranking Member Kennedy and members of the committee. Thank you for giving me the opportunity to participate in today's hearing and to share my story.

My name is Darimir Perez, and I am a middle school guidance counselor in Washington Heights, in New York City.

I immigrated to the United States from the Dominican Republic with my siblings when I was 13 years old, and unfortunately my father passed away soon after. As a result, my 18-year-old sister dropped out of college to help support the family; her sacrifice enabled me to become the first member of my family to graduate from college. I was very aware of the cost of college, turning down partial scholarships to attend private universities. Instead, I attended the City College of New York and was able to graduate from undergrad with no student loan debt.

I got married and started a family—I'm the proud parent of twin children who are now 18 years old.

When my children were young, I began working as a paraprofessional in New York City schools. I noticed the need for bilingual counselors and the difficulties parents experienced. I was reminded of my own struggles navigating the school system. It inspired me to provide consistent support to students while holding them to high standards, an opportunity I had not received.

Knowing that I wanted to work in schools, and being fully aware of all my responsibilities as a mother and the first college graduate in my family, I needed to be careful about student loans so I did my research. TEACH.org is a website led by Microsoft and the U.S. Department of Education; I used the website to find a local college where I could get my graduate degree and that would make me eligible for student loan repayment assistance. I graduated with my master's degree in the spring of 2010, with about \$50,000 in student loans. I found a full-time job in New York City schools and was promised loan repayment assistance from a city program. More than 10 years later, I still have about \$35,000 worth of loans from my own education, and last year I took out parent PLUS loans to help my children attend college and have a "real American" college experience.

How is it that more than 10 years later, having put money toward my loans every year, while working full time in public service, I still have so much debt? Every time I called my loan servicer and tried to explain I needed a different payment plan because I couldn't afford it, they rushed me off, offering forbearance to eliminate my headache. It was a magic pill I took without knowing the side effects.

I know I have to pay my loans, and I want to pay them and not be late in paying them—but if the monthly payment is so high that I can't afford it, I will have to choose which to pay and which to be late on. When I talked to my servicer (Navient), I was repeatedly steered toward going into forbearance, without being told that interest would continue to accrue or that going into forbearance would limit my

ability to earn Public Service Loan Forgiveness—a program I was not advised about—and without being given other information that now, in retrospect, I wish I had known. I just trusted my loan servicer too much, and believed them when they said, “Forbearance is the best option for you until you are able to make full payments. It is ok, you don’t have to worry, we understand.” And so even though I repeatedly called and tried to find a solution, in the end I simply complied.

I should be a candidate for Public Service Loan Forgiveness, since I’ve worked in the NYC schools for more than a decade, but when I asked Fed Loans, they told me I didn’t qualify because my payments were interrupted -- not consecutive - and that I needed to make a certain amount of consecutive payments in order to be a candidate. I’ve since learned that that should not disqualify me from the program.

The loan pause during the last year has made a great difference in my life! I was finally able to fully repay one of my loans. I was also able to pay off some medical bills, help my mom and family, put some money toward my kids’ education and cover current medical bills due to COVID-19.

Having this student loan debt has affected my life in many ways. I had always wanted to have three kids, to buy a house in a peaceful area, to enroll my twins in all the extracurricular activities they were interested in, and to have the choice to not take on extra work so I could spend more time with my family, but those things were not an option with my loans.

I’m a college graduate, and I can’t even afford to send my own kids to college! My friends who never went to college, their kids are better off than mine. Even though I did everything right for my own kids—supporting them, and keeping them focused achieving top grades and working toward positive things in a neighborhood with a lot of negative distractions—I sadly don’t feel that they are better off than I was, because of the cost of college and student loan debt.

I truly believe that education can change lives; that’s why I’ve stayed in my job. But having some relief from my student loans would make a wonderful, positive difference in my life.