



1212 New York Ave. NW  
Suite 900  
Washington, DC 20005  
202.525.5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

---

January 23, 2019

Coalition Letter:

Georgia Should Not Suspend Occupational Licenses of Those in Default of Student Loans

Dear members of the Georgia Legislature:

In recent years, the burdens of occupational licensing and student loans have become all too apparent. To date, [almost 30 percent](#) of professionals are required to traverse an expensive and time-consuming labyrinth to obtain a license to work. Beyond this, U.S. college graduates owe around [\\$1.4 trillion](#) in student loans—a number that continues to rise. Indeed, roughly [60 percent](#) of Georgians that graduated in 2016 have outstanding student loans, owing an average of more than \$27,000.

The combination of these factors creates a challenging environment, but the State of Georgia maintains a policy that exacerbates it even further. Georgia is [one of only 15 states](#) that are empowered to suspend the occupational licenses of professionals who have fallen behind on their student loans. While originally enacted to [hold borrowers accountable and discourage defaults](#), this policy is counterproductive.

The simple truth is that the law works against its goal of debt collection. Without a license, many Georgians are forbidden from working in their profession, and it is obviously difficult, if not impossible, to repay one's debts without a job. But this government-caused unemployment generates other problems too. It leads to poverty and can harm families. Indeed, lost wages can hinder one's ability to provide shelter and care for one's family. Grappling with unemployment while attempting to secure the well-being of one's family can force jobless individuals to apply for state-funded assistance, which unnecessarily burdens taxpayers.

Beyond its detriment to borrowers and the general public, this policy has failed at its central goal—to reliably deter student loan defaults. As of 2015, Georgia's federal student loan default rate was a little over [11 percent](#), which is higher than that of states without revocation authority. This suggests that this policy is ineffective at discouraging defaults. In fact, this debt collection method is unnecessary, given that there are alternative approaches.

Therefore, the undersigned find Georgia's policy of suspending the occupational licenses of those in default of their student loans imprudent. We believe Georgia can and must do better.

Sincerely,  
Marc Hyden

Director, State Government Affairs  
R Street Institute

Randy Hicks  
President and CEO  
Georgia Center for Opportunity

Nathan Humphrey  
Georgia State Director  
National Federal of Independent Business (NFIB)

Jason Pye  
Vice President of Legislative Affairs  
FreedomWorks

Liz Coyle  
Executive Director  
Georgia Watch

J.D Van Brink  
Co-Founder and Chairman  
Franklin Roundtable

Richard Lorenc  
Executive Vice President  
Foundation for Economic Education (FEE)

Jared Meyer  
Senior Fellow  
Foundation for Government Accountability (FGA)

Dan Alban  
Senior Attorney  
Institute for Justice

Cliff Maloney, Jr.  
President  
Young Americans for Liberty (YAL)