



Administrative Petition for Rulemaking



**Submitted To:**

U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Submitted By:

[Your Name or Organization Name]
[Your Address]
[City, State, ZIP]
[Phone Number]
[Email Address]

Date:

[Insert Date]

Subject: Petition for Rulemaking to Protect Minors from Uninformed Student Loan Commitments

Dear Secretary of Education,

Pursuant to the Administrative Procedure Act, 5 U.S.C. § 553(e), which grants any interested person the right to petition for the issuance, amendment, or repeal of a rule, I hereby submit this petition for the Department of Education to promulgate regulations addressing the issuance of federal student loans to minors under the age of 18.

Summary of Petition

Minors are legally restricted from entering into binding financial contracts – such as credit cards, auto loans, or mortgages – without a cosigner or special legal status, reflecting a longstanding principle that young people lack the maturity and experience to fully comprehend long-term financial obligations. However, federal student loan policies exempt minors from these protections by allowing them to incur significant debt through the signing of a Master Promissory Note without cosigner requirements, ability-to-repay verification, or financial counseling.


This practice mirrors predatory lending behaviors by targeting a vulnerable population with loans unlikely to be repaid under informed conditions. The resulting student debt burden has demonstrably harmed borrowers' financial stability for decades.

Requested Actions

I respectfully request that the Department of Education issue regulations to:

- 1. Require Financial Education for Minors Borrowing Federal Student Loans.**
Before loan disbursement, minors must successfully complete a standardized, Department-approved financial literacy course that includes performance-based assessments demonstrating understanding of loan obligations, repayment structures, interest rates, credit impact, and college ROI (return on investment).
 - 2. Assess Borrower's Ability to Repay.**
Mandate pre-loan counseling that evaluates and documents students' anticipated career earnings relative to expected debt load, ensuring better alignment of borrowing with future ability to repay.
 - 3. Enhance Loan Disclosures for Minors.**
Provide expanded disclosures tailored to minor borrowers, clearly outlining repayment obligations, long-term financial risks, and alternative financing options.
-

Justification for the Requested Changes

- **Vulnerability of Minors:**
Federal and state laws recognize minors as a legally protected class unable to engage in other binding financial agreements without co-signers (See: 15 U.S.C. § 1637(c); Credit CARD Act).
 - **Predatory Lending Parallels:**
Lending to minors without requiring ability-to-repay verification is inconsistent with accepted consumer protection standards and mirrors recognized predatory lending practices.
 - **Financial Hardship Data:**
Data show that borrowers without degrees or those in low-ROI fields face higher rates of delinquency, default, and financial hardship, with student loans persisting decades into adulthood (Strada Institute for the Future of Work and the Burning Glass Institute 2024).
 - **Ethical Responsibility:**
As the issuing authority of federal student loans, the Department of Education has an ethical obligation to ensure that minors are adequately informed and prepared to make major financial decisions that have direct impact on their long-term well-being.
- 

Conclusion

The current policies governing federal student loans for minors fail to provide the necessary safeguards afforded to other financial transactions involving young people. By implementing these reforms, the Department can meaningfully protect minors from undue financial harm, align its practices with established consumer protection principles, and improve long-term financial outcomes for student borrowers.

I respectfully request that the Department of Education acknowledge receipt of this petition and initiate rulemaking proceedings to address these critical issues.

Thank you for your consideration.

Sincerely,

[Your Full Name]

[Your Title or Organization, if applicable]

[Your Signature, if submitting by mail]

