

October 8, 2014

Often we have highlighted the trillion dollar student debt mainly because of the corrosive effects it has on many lives. [WSJ OpEd](#) points out the risk coming from the fact many of the loans will not be repaid and taxpayers will be on the hook.

Let's call her Alice. One of us has known her for years. She earned her Ph.D. in the mid-1990s when academic jobs were scarce, and she wound up an academic gypsy. She left graduate school to take a one-year full-time academic appointment, but then found herself cobbling together part-time teaching jobs at different community colleges in a large metropolitan area, earning a couple of thousand dollars for each course she teaches. She is a dedicated teacher, but her annual income is between \$30,000 and \$40,000.

Alice owes \$270,000 in student loans. She only borrowed about \$70,000 to pay for grad school, but she's never been able to afford much in the way of payments, and after consolidating her loans and accumulating interest charges for years, she's watched her debt roughly quadruple.

If Alice taught students in a low-income high school or was a recent graduate, she would be eligible for various programs that would allow her to discharge at least some of her debt. But since she graduated at a time before income-based repayment and loan-forgiveness programs, there is no federal program to help established part-time community-college faculty discharge their old student-loan debts.

In fact, the federal government is quite content with Alice's situation. The \$270,000 she owes is carried on the government's books as an asset. The government reasons that, since it is nearly impossible to discharge student loans through bankruptcy, it will eventually collect all of the more than \$1 trillion in federal student loan debt that Alice—and millions of other student borrowers—owe.

Not likely. ...

... According to the Department of Education, students borrow over \$100 billion annually, and the figure rises with each new academic year.

This is a big problem. Unexpected write-offs of billions of unpaid student loans will confront Americans with a set of ugly choices: Will we raise taxes to cover the losses—which is impossible to imagine in today's political climate? Do we cut other federal spending—which is nearly as unlikely since we're talking about substantial sums? Or do we significantly increase the national debt. This will be a continuing crisis; each year's increased borrowing will require confronting the same choices in future years. ...

More on our land of perverse incentives comes from [Michael Barone](#) as he spotlights more government failure in the home mortgage market.

I have written frequently that I estimate that one-third of the mortgage foreclosures in the 2007-10 period were of Hispanic homebuyers. Very many had been granted mortgages, despite bad or dubious credit, by lenders who then fobbed them off on Fannie Mae and Freddie Mac or other mortgage securitizers, in the meantime gaining brownie points with regulators for lending to "minorities." ...

... This was an enormous policy failure, attributable both to the Clinton and the Bush administrations. ...

... Now the Urban Institute and the Obama administration are pushing for more mortgages for blacks and Hispanics with subpar credit ratings. Haven't America, the world and the intended beneficiaries already suffered enough from this perhaps well-intentioned but indubitably misguided policy?

The globalony folks are in trouble. Rather than charismatic polar bears, now they're shedding tears for the ugly walrus. Gail Collins, a reliable left liberal voice for the NY Times columned on the walrus haulout in Alaska. She claims it happened because of lack of polar ice. Turns out it happens every year. It's a walrus convention. [Power Line](#) posts on silly Gail.

... Like the other manifestations of climate hysteria, the walrus crisis is entirely fabricated. First, let's note what how great it is that you can find 35,000 Pacific walruses in one place. It is a sign of a thriving wildlife population, estimated to have doubled since the 1950s.

Climate Depot has a thorough debunking of the walrus hype, beginning with Dr. Susan Crockford, a zoologist:

The attempts by WWF and others to link this event to global warming is self-serving nonsense that has nothing to do with science...this is blatant nonsense and those who support or encourage this interpretation are misinforming the public.

Walruses have always swarmed on land during the fall. This is called a "haulout." In 2007, Wikipedia said, in its entry on walruses:

In the non-reproductive season (late summer and fall) walruses tend to migrate away from the ice and form massive aggregations of tens of thousands of individuals on rocky beaches or outcrops.

That portion of the walrus entry was recently deleted. Hmm, wonder why?

Walrus haulouts have been observed for hundreds of years: "Dating back to at least 1604, there have been reports of large walrus gatherings or haul outs."

So the alleged walrus crisis is more hot air. ...

John Steele Gordon has a walrus post too.

The global warming crowd has been increasingly embarrassed by the fact that while their beloved computer models have been predicting ever higher temperatures, there has been no global warming for the last 18 years. Where could the heat be hiding? The favorite explanation for several years now has been that it is in the deep ocean, below 2,000 meters (1.24 miles), that the heat was being stored.

Well, so much for that theory. NASA announced today that a study has shown no warming in the deep ocean between the years 2005 and 2013. If the computer models can't even predict the past, why would anyone, without a political agenda at least, pay any attention to what they predict about the future?

Meanwhile, Gail Collins in the Times is reporting a walrus crisis: ...

... So while liberals are declaring imminent walrus catastrophe, my only reaction on seeing the photographs was a profound gratitude I wasn't downwind of 35,000 walruses.

Now lefties have a walrus myth and these myths have a half-life of centuries. Ann Coulter posts on other enduring myths.

... Second, once the MSM figured out how to blame a white guy for a black athlete punching his fiancée, and the only news was about Ray Rice and -- the true villain -- NFL Commissioner Roger Goodell, MSNBC's Toure repeated the old chestnut about emergency room admissions for domestic violence spiking on Super Bowl Sundays.

As I have noted at least a half-dozen times this was a nonsense statistic invented by feminists and then cited as fact by a slew of major news outlets, culminating in a public service announcement during the 1993 Super Bowl that reminded viewers: "Domestic violence is a crime!" Finally, Washington Post reporter Ken Ringle, realizing that he was, in fact, a reporter, asked, Where'd you get that figure?

He called all the experts who had been cited as sources for the statistic. All of them told him it wasn't true.

"That's not what we found at all," said Janet Katz, professor of sociology and criminal justice and an author of one oft-cited study allegedly establishing the Super Bowl-wife-beating nexus. She said football games bore no relationship to emergency room admissions for domestic violence.

A week after Toure recycled this hoax from the '90s, MSNBC's Mika Brzezinski said on "Morning Joe": "Super Bowl Sunday has the highest rate of domestic violence."

So at least they correct their mistakes quickly over there.

Finally, The Washington Post's Carol Leonnig is doggedly pushing the hoax about Obama getting more threats than any previous president. ...

WSJ

[Student-Loan Debt: A Federal Toxic Asset](#)

Only about 56% of borrowers are making payments. At the peak of the mortgage crisis, 10% fell behind on payments.

by Joel Best And Eric Best

Let's call her Alice. One of us has known her for years. She earned her Ph.D. in the mid-1990s when academic jobs were scarce, and she wound up an academic gypsy. She left graduate school to take a one-year full-time academic appointment, but then found herself cobbling together part-time teaching jobs at different community colleges in a large metropolitan area, earning a couple of thousand dollars for each course she teaches. She is a dedicated teacher, but her annual income is between \$30,000 and \$40,000.

Alice owes \$270,000 in student loans. She only borrowed about \$70,000 to pay for grad school, but she's never been able to afford much in the way of payments, and after consolidating her loans and accumulating interest charges for years, she's watched her debt roughly quadruple.

If Alice taught students in a low-income high school or was a recent graduate, she would be eligible for various programs that would allow her to discharge at least some of her debt. But since she graduated at a time before income-based repayment and loan-forgiveness programs, there is no federal program to help established part-time community-college faculty discharge their old student-loan debts.

In fact, the federal government is quite content with Alice's situation. The \$270,000 she owes is carried on the government's books as an asset. The government reasons that, since it is nearly impossible to discharge student loans through bankruptcy, it will eventually collect all of the more than \$1 trillion in federal student loan debt that Alice—and millions of other student borrowers—owe.

Not likely. Because Alice has figured out how to avoid repaying and still stay in the government's good graces. She is able to defer her loans without accruing additional interest by enrolling in two community-college courses per term while she works toward a business degree that she hopes will lead to a new career. Meanwhile, her \$270,000 balance remains on the books, growing all the time.

She doesn't think of herself as a deadbeat, but making a \$1,200 monthly payment for the next 30 years is daunting. Within a few years, she'll be of an age to collect Social Security, and at that point she expects the government to begin withholding about \$30 from each monthly check to pay her student loans. That will hardly offset the hundreds of dollars of interest charges that accrue each month. Meanwhile, Alice has friends with full-time jobs who are appalled by her taking courses to avoid repayment, but she says she has to choose between paying for a place to live and repaying her loans.

But it is Alice's place in the larger picture that is the more important story. The federal government assumes that almost all student-loan debt can be treated as an asset because federal loans are not dischargeable under normal circumstances. So it really is not a problem if the total debt exceeds \$1 trillion (\$2 trillion around 2020 on current trend), since all that money is sure to be repaid.

But that assumption looks more and more fanciful. Studies by the New York Federal Reserve Bank show that only about 56% of borrowers are making payments. Among those under 30 and in repayment—that is, they have not received permission to postpone payments—more than a third are delinquent. That's a lot: At the peak of the recent housing crisis, only about 10% of borrowers

fell behind on their mortgage payments. But Alice is part of the 44% of borrowers who are not repaying student loans for various reasons.

Why isn't this high percentage of borrowers who are excused from making payments alarming federal policy makers and most of the analysts who study student loans? There is really no prospect that Alice is going to be able to cough up more than a quarter-million dollars and pay off what she owes. At some point, the government is going to have to reclassify billions in loans and interest as losses. Meanwhile, as college costs rise and more students pursue higher education, student borrowing grows. According to the Department of Education, students borrow over \$100 billion annually, and the figure rises with each new academic year.

This is a big problem. Unexpected write-offs of billions of unpaid student loans will confront Americans with a set of ugly choices: Will we raise taxes to cover the losses—which is impossible to imagine in today's political climate? Do we cut other federal spending—which is nearly as unlikely since we're talking about substantial sums? Or do we significantly increase the national debt. This will be a continuing crisis; each year's increased borrowing will require confronting the same choices in future years.

Washington recently acknowledged that there are a lot of Alices; in mid-September, the GAO issued a report documenting the rapid increase in the student debt among those over 65. But many of the proposed reforms, on tinkering with interest rates and the like, would increase—not reduce—total student-loan debt. A larger issue, so far ignored, is that unless college costs are brought under control, things will only get worse, and the federal government will continue to accumulate Alice-like "assets" in the federal direct-loan portfolio.

Joel Best is a professor of sociology and criminal justice at the University of Delaware. Eric Best is an assistant professor of emergency management at Jacksonville State University. They are the authors of "The Student Loan Mess: How Good Intentions Created a Trillion-Dollar Problem" (University of California, 2014).

Examiner

[Mapping the disaster caused by granting mortgages to non-creditworthy Hispanics](#)

by Michael Barone

I have written frequently that I estimate that one-third of the mortgage foreclosures in the 2007-10 period were of Hispanic homebuyers. Very many had been granted mortgages, despite bad or dubious credit, by lenders who then fobbed them off on Fannie Mae and Freddie Mac or other mortgage securitizers, in the meantime gaining brownie points with regulators for lending to "minorities." Evidence supporting this comes, inadvertently, from an [Urban Institute report](#) spotlighted by the industrious and provocative blogger [Steve Sailer](#). You can see that there was a huge increase in the number of mortgages granted to Hispanics in the years running up to 2006, when housing prices peaked, centered in metro Los Angeles and the adjacent Inland Empire to the east, in California's Central Valley and in metro Las Vegas and Phoenix. Not coincidentally, these "sand states" (plus Florida) accounted for more than half of mortgage foreclosures when housing prices plummeted and buyers who suddenly found themselves underwater and/or out of work defaulted on their mortgages.

This was an enormous policy failure, attributable both to the Clinton and the Bush administrations. Both presidents championed Hispanic home-buying, which in practice meant granting mortgages, by bending the rules or simply ignoring them, to non-creditworthy borrowers. Some liberal analysts like to speak of credit standards as somehow embodying racial (or anti-Hispanic) prejudice, but this is obviously not so. The consequences of this misguided policy were horrendous, for the entire economy of the nation, indeed much of the world — and for the foreclosed-on homebuyers themselves. They had been sold a dream, that they could with little or no money down put themselves on the road to accumulating a six-figure net worth because, hey, housing prices always go up. That dream turned out to be a nightmare. I suspect that that nightmare has played a major role in the cessation of net migration to the United States from Mexico, which the [Pew Hispanic Center](#) estimates as zero from 2007 on to the year of the latest available data.

Now the Urban Institute and the Obama administration are pushing for more mortgages for blacks and Hispanics with subpar credit ratings. Haven't America, the world and the intended beneficiaries already suffered enough from this perhaps well-intentioned but indubitably misguided policy?

Power Line

The Walrus and the Climate Hysterics

by John Hinderaker

First the polar bears, now the walruses. At the [New York Times](#), Gail Collins says there is a “walrus crisis.”

They're piling up in Alaska. About 35,000 walruses have formed what looks to be a humongous brown ball along the northern coast. A mass of critters, some weighing 4,000 pounds, are pressed shoulder to shoulder — or flipper to flipper.

Normally, they'd be sitting on chunks of ice, periodically flopping into the water to hunt for snails and clams. But the ice has melted away, and now they're stuck on land.

The “walrus crisis” is the Left's latest effort to bully us into electing Democrats. Because...they're going to do something about the walruses, I guess. Hard to say what. Chase them back onto the ice, maybe.

Like the other manifestations of climate hysteria, the walrus crisis is entirely fabricated. First, let's note what how great it is that you can find 35,000 Pacific walruses in one place. It is a sign of a thriving wildlife population, estimated to have doubled since the 1950s.

[Climate Depot](#) has a thorough debunking of the walrus hype, beginning with Dr. Susan Crockford, a zoologist:

The attempts by WWF and others to link this event to global warming is self-serving nonsense that has nothing to do with science...this is blatant nonsense and those who support or encourage this interpretation are misinforming the public.

Walruses have always swarmed on land during the fall. This is called a “haulout.” In 2007, Wikipedia said, in its entry on walruses:

In the non-reproductive season (late summer and fall) walrus tend to migrate away from the ice and form massive aggregations of tens of thousands of individuals on rocky beaches or outcrops.

That portion of the walrus entry was recently deleted. Hmm, wonder why?

Walrus haulouts have been observed for hundreds of years: “Dating back to at least 1604, there have been reports of large walrus gatherings or haul outs.”

So the alleged walrus crisis is more hot air. As is the rest of Ms. Collins’ op-ed:

In Alaska, entire towns are beginning to disappear under the rising seas.

It is true that a number of coastal Alaska towns are subject to erosion, as they have been for many years. The Army Corps of Engineers wrote a [report](#) on the subject:

The potential for erosion exists wherever land and water connect. Erosion, as part of a natural process, does not become a problem until it starts to affect something of intrinsic or quantifiable value. In the past, communities simply moved away from erosion sites as necessary. As communities became tied to the land through infrastructure development, it became more difficult to move away from erosion sites, and residents have tried to combat erosion on their own until the problem grew so severe that external assistance was needed.

This has nothing to do with global warming. The oceans are, of course, rising—very slowly—as they have been doing for thousands of years, since the end of the last Ice Age. The rate of rise has not increased.

A vast, vast majority of climate scientists say that human beings are causing all or part of the changes in climate that are making life miserable for the walrus and destroying the bayou country in Louisiana.

“All or part?” How’s that for weasel language? How big a part, is the obvious question. A vast, vast majority of climate realists, like me, believe that human emissions of CO₂ (through breathing, burning coal, etc.) have a slight impact on the Earth’s climate. And who says the walrus are miserable?

The Earth’s climate hasn’t warmed for 18 years, and the rise of the oceans hasn’t changed. The alarmists’ models are obviously wrong. One wonders: why does a newspaper—even a bad newspaper like the Times—print op-eds that blithely ignore the most basic facts?

Contentions

[The Walrus and the Liberal Were Walking Hand in Hand](#)

by John Steele Gordon

The global warming crowd has been increasingly embarrassed by the fact that while their beloved computer models have been predicting ever higher temperatures, there has been no global warming for the last 18 years. Where could the heat be hiding? The favorite explanation for several years now has been that it is in the deep ocean, below 2,000 meters (1.24 miles), that the heat was being stored.

Well, so much for that theory. NASA [announced](#) today that a study has shown no warming in the deep ocean between the years 2005 and 2013. If the computer models can't even predict the past, why would anyone, without a political agenda at least, pay any attention to what they predict about the future?

Meanwhile, Gail Collins in the *Times* is [reporting](#) a walrus crisis:

Let's consider the walrus crisis.

They're piling up in Alaska. About 35,000 walruses have formed what looks to be a humongous brown ball along the northern coast. A mass of critters, some weighing 4,000 pounds, are pressed shoulder to shoulder — or flipper to flipper.

Normally, they'd be sitting on chunks of ice, periodically flopping into the water to hunt for snails and clams. But the ice has melted away, and now they're stuck on land.

For one thing, it [doesn't look even remotely like a ball](#), much more like a carpet. More importantly than faulty simile, however, is the fact that this is entirely normal walrus behavior. As John Hinderaker at Power Line [points out](#) these haulouts, as they're called, are common in the post-breeding season and have been observed as far back as 1604, in the depths of the "little ice age." He quotes Wikipedia: "In the non-reproductive season (late summer and fall) walruses tend to migrate away from the ice and form massive aggregations of tens of thousands of individuals on rocky beaches or outcrops." He also notes that that sentence was very recently deleted from Wikipedia. One can only wonder why.

As for the absence of ice, 2014, it turns out, it has been [a pretty good year](#) for arctic ice.

Also the walrus population has about doubled since the 1950s, hardly a sign of an animal under environmental distress.

So while liberals are declaring imminent walrus catastrophe, my only reaction on seeing the photographs was a profound gratitude I wasn't downwind of 35,000 walruses.

Jewish World Review

[You can't keep a good myth down](#)

by Ann Coulter

I've barely been paying attention to the news, except to check Senate polls every night, because, as some of you may have noticed, I've been in the bat-cave under Swiss Guard protection, writing my next book. But based on only about an hour of media consumption a week, I've recently noticed mainstream "news" outlets telling huge whoppers, long ago disproved and forgotten.

First, this past Sunday, New York Times columnist Nicholas Kristof repeated the canard about guns being dangerous to their owners. A "study in the journal *Injury Prevention*," he wrote, "found that the purchase of a handgun was associated with 2.4 times the risk of being murdered and 6.8 times the risk of suicide."

No kidding. As a lifelong subscriber to *Injury Prevention*, I could have told Kristof that people who

live in crime-ridden neighborhoods or who have friends or professions that increase their likelihood of being killed -- or who plan to commit suicide -- are *astronomically* more likely to buy handguns than people whose lifestyles do not put them at such risks.

My own study, soon to be published in Injury Prevention -- and which I expect will similarly amaze Nick Kristof! -- establishes that people in hospitals are twice as likely to die within five years as people not in hospitals. To paraphrase Kristof: People think hospitals can save their lives. Nonsense!

And don't even get me started on my study on people in ambulances.

Second, once the MSM figured out how to blame a white guy for a black athlete punching his fiancée, and the only news was about Ray Rice and -- the true villain -- NFL Commissioner Roger Goodell, MSNBC's Toure repeated the old chestnut about emergency room admissions for domestic violence spiking on Super Bowl Sundays.

As I have noted at least a half-dozen times this was a nonsense statistic invented by feminists and then cited as fact by a slew of major news outlets, culminating in a public service announcement during the 1993 Super Bowl that reminded viewers: "Domestic violence is a crime!" Finally, Washington Post reporter Ken Ringle, realizing that he was, in fact, a reporter, asked, *Where'd you get that figure?*

He called all the experts who had been cited as sources for the statistic. [All of them told him it wasn't true.](#)

"That's not what we found at all," said Janet Katz, professor of sociology and criminal justice and an author of one oft-cited study allegedly establishing the Super Bowl-wife-beating nexus. She said football games bore no relationship to emergency room admissions for domestic violence.

A week after Toure recycled this hoax from the '90s, MSNBC's Mika Brzezinski said on "Morning Joe": "Super Bowl Sunday has the highest rate of domestic violence."

So at least they correct their mistakes quickly over there.

Finally, The Washington Post's Carol Leonnig is [doggedly pushing the hoax](#) about Obama getting more threats than any previous president. (They don't make 'em like Ken Ringle anymore.)

Even after being corrected by an MSNBC host, Frances Rivera, last Sunday, Leonnig plowed ahead with her thoroughly disproved thesis, based on what someone had told her -- it was at either a DNC fundraiser or a Volvo dealership. And yes, Leonnig really was corrected by an MSNBC host for pushing an America-is-racist fabrication, which is like having Joseph Goebbels say to you, "Hey, lighten up on the Jews, would you?"

Leonnig's source may be New York Times archives. Or it could be the archives from any mainstream media outlet in America, where the "more threats" rumor originated and was pumped out a mile a minute to an unsuspecting public for two solid years following Obama's announcement that he was running for president.

But then, in 2009, the head of the Secret Service finally told a congressional panel that it was complete bunk.

In the middle of being browbeaten by Rep. Eleanor Holmes Norton about the huge, unprecedented

danger facing President Obama, then-Secret Service Director Mark Sullivan dropped the service's usual practice of refusing to comment on threats against the president to say, under oath: "The threats right now, and the inappropriate interest that we are seeing, is the same level as it has been for the previous two presidents."

Leonnig even recycled the old folk tale about Obama's receiving Secret Service protection "much earlier than other candidates."

How many times do we have to disprove this gibberish? The reason Obama's Secret Service protection started earlier than usual is that campaigns start earlier than usual. Obama declared he was running for president on Feb. 10, 2007. Three months later, he got Secret Service protection.

Reagan announced he was running for president on Nov. 13, 1979. You know when he got Secret Service protection? That same day. And you want to know why? For the exact same reason as Obama: He was a major-party candidate and he asked for it.

Most hilariously, Leonnig actually broke down the (non-existent) excessive threats to Obama, telling MSNBC viewers that the increased threats used to come from Americans angry because Obama is black, but now they're mostly from people angry about Obamacare.

(I wonder if the non-existent disproportionate threats go up on Super Bowl Sunday!)

In fact, the historical record shows that, apart from the occasional random nut, the people most likely to assassinate a president are leftists, socialists, communists, Palestinian activists, crazed environmentalists and communitarians, who have been responsible for every politically motivated presidential assassination attempt since at least 1900. (See "Mugged," Chapter 14.)

Reagan took an assassin's bullet to the chest within two months of becoming president. Jerry Ford was shot at twice within 13 months of assuming the presidency. But we still have to hear about angry right-wingers terrorizing President Obama.

The theme of all these liberal fantasies is that the greatest threat to women, minorities and liberals are right-wing white men with guns -- especially on a Super Bowl Sunday. (Referees are beheaded at soccer games in Brazil, but liberals are terrified of America's national sport.)

White men are even threats to *themselves*, should they be foolish enough to purchase a gun.

Reagan's and Ford's attempted assassins, by the way, consisted of two liberal women and a deranged white man -- who was acquitted by a black jury. Despite Kristof's warning about guns, all three of them are still alive. And out of prison.

Oh -- and the two nuts who recently breached Obama's White House security? They're named Ortega and Gonzales.



