

Supports legislation that prevents catastrophic doubling of student loan interest rates

Rochester, NY - Congresswoman Louise Slaughter (NY-28) today expressed her unwavering commitment to preventing student loan rates from doubling on July 1, and her steadfast opposition to the false-choice solution passed today by the House Majority. Today's bill guts the Prevention and Public Health Fund, established in the Affordable Care Act, to pay for a one-year delay in the rate hike.

"A college education is an extremely important factor for success in today's economy," said Slaughter. "The continued growth of our economy and our ability to remain competitive in the global marketplace will depend upon ensuring that we have the most educated workforce possible. As college costs continue to skyrocket, we must take every possible step to make higher education a reality for more of our youth. Unfortunately, the strictly partisan legislation rushed through by the House Majority today presents a false-choice; it prevents an increase in the student loan rate at the expense of the health and well-being of America's women and children.

"Instead, I am proud to support the Stop the Rate Hike Act of 2012, legislation that will prevent Stafford student loan rates from doubling on July 1, saving borrowers and their families an average of \$1,000 in loan repayment costs. What's more, by ending unwarranted tax subsidies to big oil and gas companies, the bill is fully paid for and would actually reduce the deficit."

In 2007, Slaughter helped Congress pass the College Cost Reduction and Access Act, legislation that reduced the fixed rate for Stafford student loans from 6.8 percent to 3.4 percent over a four year period. The measure was designed to ease the burden on college students and their families and to make the dream of a college education more accessible and available to more young people. However, without congressional action by the end of June, interest rates on federally subsidized education loans for more than 7 million undergraduate students will double."

At a time of historic low interest rates, borrowers will have to pay as much as \$5,000 more in higher interest costs for a college degree if Congress doesn't act. Outstanding student debt in the United States has surpassed \$1 trillion, and if Congress allows interest rates to double, this debt problem will only worsen.

"I am dedicated to ensuring that higher education is within the reach of every American," said Slaughter. "I strongly supported the College Cost Reduction and Access Act of 2007, which slashed interest rates on federally subsidized student loans in half and created a loan-forgiveness program to encourage students to enter careers in public service. I was also proud to vote for the Student Aid and Fiscal Responsibility Act of 2010, which provided large increases in the size of Pell grants, strengthened the Perkins loan program, and drastically lowered interest rates on federally subsidized student loans, such as Stafford loans.

"If America wants to remain competitive in the world, we need more students graduating with a college degree, and fewer graduating with overwhelming student debt," said Slaughter. "Rest assured, I will continue to fight in Congress to prevent students and their families from being hit by this needless financial burden."

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