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## **Expert Calls Tomorrow's House Committee Mark-Up of Higher Education Act a "Key Moment in Fight to Reform Our Student Loan System"**

"Students and their families will have a lot at stake when the House Education and Labor Committee marks up changes to the Higher Education Act on Wednesday. A strong bill can do a tremendous amount to reduce the burden of student debt and make college more affordable. Key provisions of this bill include a much-needed increase in Pell Grants and an interest rate cut on certain loans for new borrowers.

"The new Income-Based Repayment plan is a major step forward in helping today's and tomorrow's borrowers by capping federal student loan payments at a reasonable percentage of income and canceling remaining debt after 20 years of repayment. We urge the Committee to preserve this plan and to consider limiting interest buildup in hardship situations. (For more information about Income-Based Repayment, visit [http://projectonstudentdebt.org/initiative\\_view.php?initiative\\_idx=3](http://projectonstudentdebt.org/initiative_view.php?initiative_idx=3))

The bill also includes notable reductions to excessive lender subsidies. Although lenders are likely to warn that such reductions would drive them out of the market or lead to increased costs for borrowers, the student loan industry's profit margins tell a very different story. President Bush's budget also recognizes that there is room for greater cost-efficiency, and the recent conflict-of-interest scandals show that there is more than enough money to go around.

This mark-up is a key moment in the fight to reform our student loan system, and a major opportunity to reduce the hazards of student debt. Passage of these amendments to the Higher Education Act would be good for students, borrowers, and everyone concerned about rising student debt. We urge the House to pass a strong bill, and the Senate to follow suit."

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The Project on Student Debt works to increase public understanding of the changing role of student debt and its implications for our families, economy and society. Recognizing that loans play a critical role in making college possible, the Project's goal is to identify cost-effective solutions that expand educational opportunity, protect family financial security, and advance economic competitiveness. The Project on Student Debt is managed by The Institute for College Access & Success, a nonprofit, nonpartisan organization working to make higher education more available and affordable for people of all backgrounds. For more information see [www.projectonstudentdebt.org](http://www.projectonstudentdebt.org) and [www.ticas.org](http://www.ticas.org).