



STATEMENT OF PAULINE ABERNATHY
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Statement in response to Representative Cantor's reported proposal to eliminate the in-school interest subsidy on federal student loans

House Majority Leader Eric Cantor's proposal would not reduce the national debt, instead it would shift the debt burden from the federal government to young people and adults working to get the education and training they need to compete in today's economy.

Bachelor's degree recipients already graduate with an average of more than \$23,000 in student debt, and Pell Grant recipients graduate with an average of nearly \$25,000 in student debt.

Eliminating the in-school interest subsidy would *increase the cost of college by thousands of dollars* at the same time that the subsidized loan interest rate will double next year from 3.4% to 6.8%, further increasing student debt loads. If the in-school interest subsidy were eliminated, a student who took out the maximum in subsidized student loans and graduated in six years would owe about *\$5,000 more* by the time they graduate, and about *\$11,000 more* over a 20-year repayment period.

We need to be increasing the number of college graduates and making college more affordable, not increasing the cost of college and burying students in more debt in order to protect tax cuts for the wealthy.

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An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. For more about our programs and initiatives, including the Project on Student Debt, see <http://ticas.org>. Follow us on Twitter: <http://twitter.com/TICAS.org>.