



Statement of LAUREN ASHER
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TICAS Calls on Congress to Stop Student Loan Interest Rates from Doubling Urges Senators to Vote for Reed-Harkin Bill and Against Coburn-Burr Bill

“In just 24 days, the interest rate for subsidized Stafford student loans will double from 3.4% to 6.8% *unless* Congress acts. Today, we call on the Senate to keep college and federal loans affordable instead of driving students deeper into debt by *supporting* the Reed-Harkin bill and *opposing* the Coburn-Burr bill.

“The bill sponsored by Senators Coburn, Burr and Alexander ([S. 1003](#)) would make things worse for borrowers. It sets rates at levels that are projected to cost students nearly \$16 billion more over the next 10 years alone, and it removes any cap on how high rates can go. Under the bill, rates are projected to *more than* double by 2016. It not only expects students to pay even more to get through college, but also to pay down the government’s debt. These harmful and costly changes would be permanent.

“In contrast, the bill sponsored by Senators Reed and Harkin ([S. 953](#)) would protect students while giving Congress and the Administration time to develop comprehensive reforms that keep federal loans affordable, support sensible borrowing, and better target benefits. Their bill keeps subsidized Stafford loans at the current fixed rate of 3.4% for two years and pays for itself by closing unnecessary tax loopholes.”

NOTE: TICAS’ recent [white paper](#) includes comprehensive [reforms](#) to keep federal student loans affordable, streamline the loan program, and better target benefits. See our recent [blog post](#) for analyses and comparisons of student loan interest rate proposals.

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org and www.projectonstudentdebt.org or follow us on Twitter at www.twitter.com/TICAS_org.