

Senator Harry Reid
522 Hart Senate Office Building
Washington, DC 20510

Senator Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

June 28, 2013

Support S. 1238, the Keep Student Loans Affordable Act of 2013

Dear Majority Leader Reid and Minority Leader McConnell,

We the undersigned student, youth, consumer, civil rights and education organizations urge you to support S. 1238, the Keep Student Loans Affordable Act of 2013, put forth by Senators Jack Reed (D-RI), Kay Hagan (D-NC) and 36 others, which will keep interest rates low for millions of students going to school this fall. If Congress fails to act by July 1, interest rates on federally subsidized Stafford student loans will double from 3.4 percent to 6.8 percent, and over 7 million students across the country will see the cost of college increase by \$1,000 per student, per loan.

Considering the enormity of the student debt problem and the significant number of students and borrowers impacted, it is clear that we need a comprehensive overhaul of federal student loan policy. However, with just 3 days left until the deadline, it is unlikely that Congress can come to an agreement on comprehensive reform that is better for student loan borrowers than if the rate doubled to 6.8 percent.

We applaud this bill, which creates a workable solution to maintain current low rates while Congress seeks to reauthorize the Higher Education Act and to reach a comprehensive solution to the student loan crisis that is good for students. We expect a vote on S. 1238 on July 10, 2013, allowing the proposal to take effect in time to protect incoming and returning students this fall.

Many of the other proposals being discussed would result in even higher costs to students than if interest rates were simply allowed to double. The Bipartisan Student Loan Certainty Act put forth by Senators Joe Manchin (D-WV), Richard Burr (R-NC), Tom Coburn (R-OK), Lamar Alexander (R-TN), Angus King (I-ME), and Tom Carper (D-DE), would drive up borrower costs by \$1 billion and tie interest rates to the market without a cap to protect students. This proposal would pay down the deficit on the backs of students, trading national debt for student debt. It is unacceptable to use student loans as a vehicle for deficit reduction, especially when the federal government is projected to make \$51 billion on student loans this year alone.

We continue to advocate for a long-term, comprehensive solution that ensures affordable rates for students. If Congress cannot find an acceptable long-term solution before students are forced to pay even more this fall, it must act to prevent subsidized Stafford loan rates from doubling.

Sincerely,

All Education Matters

AFL-CIO

Institute for Asian Pacific American Leadership & Advancement, AFL-CIO

American Association of University Professors (AAUP)

American Association of University Women (AAUW)

American Federation of State, County, and Municipal Employees

American Federation of Teachers

Asian Pacific American Labor Alliance

Center for Responsible Lending

Council for Opportunity in Education

Council on Social Work Education (CSWE)

Democracy for America

Demos

Department for Professional Employees, AFL-CIO

Generational Alliance

Hispanic Association of Colleges and Universities (HACU)

Leadership Conference for Civil and Human Rights

League of United Latin American Citizens (LULAC)

Minnesota Public Interest Group (MNPIRG)

Minnesota State University Student Association

MoveOn

National Association of State Student Grant and Aid Programs (NASSGAP)

National Council for LaRaza (NCLR)

National Education Association

National Federation of Federal Employees

National Priorities Project

National Urban League

New Jersey Students United

New York Public Interest Research Group (NYPIRG)

Oregon Student Association

Our Time

One Wisconsin Now

Progress Now

Roosevelt Institute Campus Network

Sierra Student Coalition

Student Debt Crisis

The Education Trust

The Institute for College Access & Success

The University of California Student Association

UNCF

United Council of UW Students

United States Public Interest Research Group (USPIRG)

United States Student Association (USSA)

USAction

Vote Mob

Working Families Organization

Rebuild the Dream

Young Democrats of America

Young Invincibles

YP4 Action