

Duncan: Prevent student loan interest rates from doubling July 1

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Education Secretary Arne Duncan says Congress should extend current student loan interest rates beyond the July 1 scheduled rate hike and work to find solution shields students from the burden of deficit reduction.

In a statement Wednesday, Duncan said, "Our priority is to ensure that Congress doesn't allow federal student loan interest rates to double on July 1. President Obama has put forward a comprehensive solution that will help middle-class students and their families afford college by lowering interest rates on July 1, without adding to the deficit, and Senator Harkin and Congressman Miller have also been leaders within Congress to prevent rates from doubling for students and families."

"While we welcome action by the House on student loans, we have concerns about its current approach, which does not guarantee low rates for students on July 1, makes students bear the burden of deficit reduction, and fails to lock in interest rates when students take out a loan – so their rates could escalate in the future," he said.

Now is not the time to double interest rates on student loans, and we remain committed to working with Congress on a bipartisan approach to a long-term, fiscally sustainable solution that will help students and families afford higher education now and in the future. Given the impending July 1 deadline, an extension that protects students against higher rates while Congress develops an alternative solution is another reasonable option," he said.

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Both the President and I firmly believe college should not be reserved only for the wealthy. All of us share responsibility for making college affordable and keeping the middle-class dream alive. There is no excuse if Congress fails to come to an agreement that prevents rates from rising suddenly in July, and we look forward to working with members of both parties to reach a solution," he said.