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From: **Office of Senator Hagan** <Hagan_Newsletter@hagan.senate.gov>

To: <sjohnston@tueforumclt.org>

Subject: **Carolina Connection: Students Cannot Afford Congressional Inaction**

Date: Wed, 10 Jul 2013 12:15:41 -0400

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Students Cannot Afford Congressional Inaction

Yet another deadline has come and gone with Congress failing to act. This time, the fallout from the political paralysis in Washington will land squarely on students and middle class families who rely on federal Stafford loans to afford college.

Because Congress did not act, 176,000 North Carolina students and 7.4 million students nationwide will see interest rates on their federal Stafford loans double from 3.4 to 6.8 percent. This effectively sticks our students with nearly \$1,000 a year in additional student loan costs.

These Stafford loans are need-based, with the majority of borrowers coming from families that make \$60,000 or less a year. They have given millions of students the opportunity to obtain a degree and a good job after graduation. However, as college costs soar and student loan debt burdens our workers, a college education is moving dangerously beyond the reach of too many hardworking Americans.

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I have talked to families and students across North Carolina who cannot bear the extra burden of this interest rate hike. I heard from a mother whose son will be starting college in the fall. The family is relying on both scholarships and financial aid to afford the cost, and she is concerned that a sudden jump in the interest rate will affect her son's ability to afford college.

I'm not willing to accept this fate for our students or our middle class families, who are trying to do right by their children.

That is why I introduced legislation with Senator Jack Reed from Rhode Island that will extend the current interest rate of 3.4 percent on federal Stafford loans for the next year. The Keep Student Loans Affordable Act of 2013 will maintain the low interest rate while Congress works on a long-term, sustainable solution for the federal student loan program. This bill would also apply retroactively to students who took out loans on or after July 1st of this year.

Our students can't afford this interest rate hike, and our economy can't either. If we saddle our young people with unsustainable debt, it will be more difficult for them to buy homes or cars, start businesses, support families, or invent, innovate and otherwise contribute to growing our economy.

I am hopeful that we can work together – Democrats and Republicans – toward a long-term plan. But in the meantime, we must take action so that students in North Carolina and across the country are not paying the price for congressional inaction.

Sincerely,

P.S. To keep up with my work in the Senate and around North Carolina, follow me on Twitter, Facebook and [Instagram](#).

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