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

To: <sjohnston@tueforumclt.org>

Subject: **Carolina Connection: Hagan Supports Bipartisan Solution to Keep Student Loan Interest Rates Low**

Date: Thu, 01 Aug 2013 09:09:21 -0400

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Hagan Supports Bipartisan Solution to Keep Student Loan Interest Rates Low

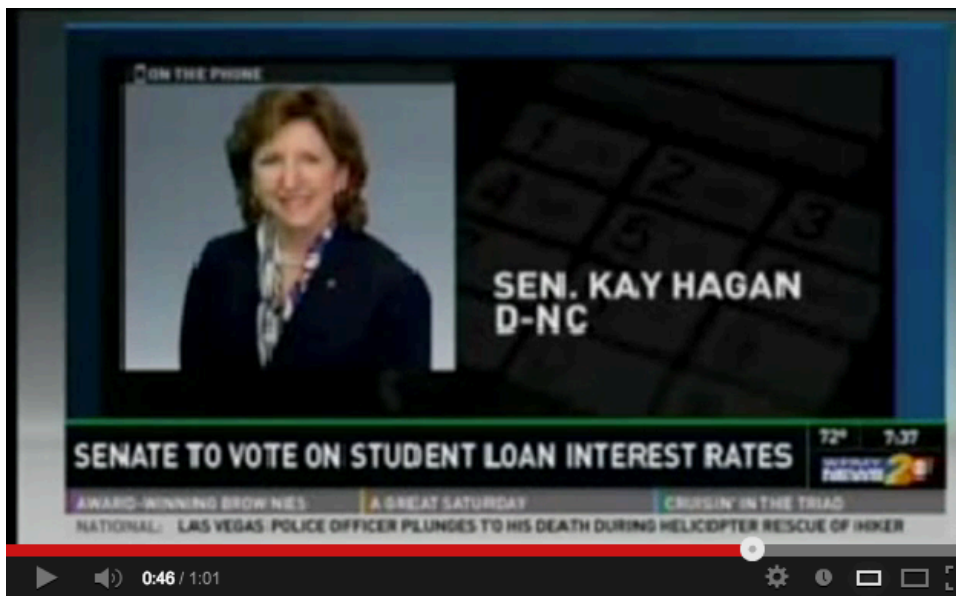
North Carolina's colleges and universities are among the finest in the nation, and our students are among the best and brightest. They are working their way through school or taking out loans to pay for college because they know it is an investment that will pay off in the long run -- that will help them reach their goals, land a good-paying job and support their families.

However, as a result of congressional inaction, interest rates on undergraduate subsidized federal Stafford loans doubled from 3.4 percent to 6.8 on July 1st, effectively sticking 176,000 students in North Carolina with an extra \$1,000 a year in student loan costs. I have heard from too many North Carolina students and families who cannot bear this burden.

At a roundtable discussion on the subject, I spoke with one young man who is working two jobs in order to attend Central Piedmont Community College. He plans to transfer to UNC-Charlotte this year, but is concerned he will not be able to afford the additional tuition and complete his degree if interest rates on his Stafford loans spike.

That is why I supported a bipartisan compromise to ensure the interest rates on student loans stay low in the coming years. This bipartisan legislation ties undergraduate subsidized Stafford Loans to the rate of a 10-year Treasury note plus 2.05 percent. In 2013, that rate is estimated to be 3.86 percent as opposed the 6.8 percent under current law, allowing students to take advantage of today's low interest rates.

[CLICK HERE TO WATCH NEWS COVERAGE OF THE BIPARTISAN AGREEMENT TO KEEP INTEREST RATES LOW FOR STUDENTS](#)



The bill, which applies retroactively to loans taken out after July 1st, also caps the interest rate at 8.25 percent for undergraduate students. This was a major priority for me so that students have some certainty and will not face skyrocketing interest rates four or five years down the road. Although this bill is not perfect, our students – and our economy – cannot afford for Congress to sit idly by while interest rates on education loans double.

Young people are the future of North Carolina’s economy. They will graduate and move on to create businesses, purchase homes and cars, start families, invent, innovate and otherwise contribute to our economy. All of this is made harder when they are saddled with staggering amounts of college debt.

As a member of the Senate Committee on Health, Education, Labor and Pensions, one of my top priorities has been increasing access to higher education. I am committed to working with my colleagues - Democrats and Republicans - to examine ways to make college affordable for our students as our economy improves.

Compromises are too few and far between in Washington these days, and I am proud to support this bipartisan bill that will bring immediate relief to millions of students. I urge the House of Representatives to swiftly pass this bill.

Sincerely,

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

