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Rep. John Barrow Votes to Cut Federal Student Loan Rates in Half

Bill will lower student loan interest rates from 6.8% to 3.4% by 2011

Washington, DC – With tuition reaching record highs at colleges and universities all across the country, 12th District Georgia Congressman John Barrow (D-Savannah) today voted to cut federal student loan interest rates in half – from the current level of 6.8% to a low of 3.4%. The measure, which will phase in a reduction over the next five years, passed the House of Representatives by a vote of 356-71.

“Federal student loans were created to help make sure that financial assistance is available to anyone who wants to go to college,” Barrow said. “But sky high interest rates have chipped away at the value of those loans, becoming hidden taxes on the country’s best and brightest.”

According to a study by the Congressional Advisory Committee on Student Financial Assistance, an independent committee created by Congress to advise on student aid policy, the high cost of higher education will prevent 4.4 million high school graduates from attending a four year college during the next decade. In addition, rising costs will also prevent another two million from attending any higher education institution at all.

“The rising cost of college is one of the biggest roadblocks for students looking to earn a degree,” Barrow added. “Lowering these interest rates is the right step forward towards helping more Americans afford college and get ahead – without forcing them to mortgage their future.”

A companion bill of H.R. 5, The College Student Relief Act of 2007, will be taken up by the Senate later this year. Once the House and Senate have both agreed on a final version of the bill, the legislation will be sent to the President for his signature.

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