



NATIONAL DIRECT STUDENT LOAN COALITION

For Immediate Release:

Contact: Margaret Rodriguez 734-763-4119

July 6, 2012

Chuck Knepfle 864-656-3431

National Direct Student Loan Coalition Applauds Congressional Action to Protect Students

“We applaud the efforts of Congress and the Obama Administration to work together to find a compromise that ensures that all students have access to an affordable college degree,” states Margaret Rodriguez, Chair of the National Direct Student Loan Coalition, in reaction to the signing of bipartisan legislation to prevent subsidized Stafford student loan interest rates from doubling by President Obama.

In 2007, a college affordability plan passed by Congress made federal student loans more manageable in repayment, in particular by gradually decreasing the interest rate on subsidized Stafford student loans from 6.8 percent to 3.4 percent over a five year period. If Congress had failed to act before July 1, the interest rate on subsidized Stafford student loans would have ballooned back to 6.8 percent for more than 7 million students. Over the last year, NDSLC members and student financial aid administrators across the country have urged policymakers to take action to prevent student loan interest rates from doubling. In April, over 150 letters were delivered to Senators asking them to protect students and prevent the interest rate hike on subsidized Stafford student loans.

“The vote to keep student loan interest rates low for another year is a victory for everyone. Our college students won’t have excessive loan payments to juggle, our schools can continue to provide low-cost financing options for our students, and the country can continue its goal of increasing the number of students pursuing, and ultimately matriculating with, post-secondary degrees,” states Chuck Knepfle, Chair Elect of the National Direct Student Loan Coalition.

H.R. 4348, the Moving Ahead for Progress in the 21st Century Act (MAP-21) was approved in the House of Representatives by a 373-52 vote and in the Senate by a 74-19 vote on June 29. The bill included a one year extension on the current subsidized Stafford student loan interest rate, as well as a two year reauthorization of the transportation bill. The President signed the bill into law this afternoon.

###

The National Direct Student Loan Coalition is an alliance of schools dedicated to the continuous improvement and strengthening of the federal Direct Loan program. Coalition members are practicing financial aid professionals. For more information regarding the National Direct Student Loan Coalition, please see www.directstudentloancoalition.org.