

Washington, D.C. –Representative David Price (NC-04) issued the following statement following the announcement that President Barack Obama will visit the University of North Carolina at Chapel Hill on Tuesday to address the importance of averting a pending increase in interest rates for need-based student loans.

Rep. Price is a co-sponsor of H.R. 3826, a House bill to extend the reduction in interest rates on need-based loans that was enacted as part of the College Cost Reduction and Access Act of 2007. Over several years, the law halved interest on need-based federal student loans, reducing the rate to 3.4 percent in 2011-2012 and has helped make college more affordable for low- and middle-income students. If Congress doesn't act before July, when the lower interest provision expires, the rate will jump back up to 6.8 percent. Students are already graduating with record-high average debt and the number of student loan borrowers in default is on the rise. This rate increase would amount to the average Stafford loan borrower's paying \$2,800 more over a standard 10-year repayment term.

"I applaud President Obama for pushing this issue. Now is not the time to double student loan interest rates. It's not fair to young people trying to achieve the dream of college education, and it's bad for the economy. In 2007, lowering interest rates on need-based federal student loans was a bipartisan, common-sense decision. It's still a matter of common-sense, but, with Republicans standing in the way, it's no longer bipartisan. Republicans should stop stonewalling and help Democrats pass a bill to prevent student loan rates from doubling for the 8 million American college students who rely on Stafford loans."

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