



Student Groans

In Letting Student Loan Rates Double, Senate Democrats Place Partisan Bickering Ahead Of The Nation's Students

Today, Students Will See The Interest Rates On Their Loans Double To 6.8 Percent. "Students preparing to take subsidized government loans will see their interest rates double to 6.8% from current levels, starting Monday, July 1." (Jennifer Liberto, "Student Loan Rates Doubling On Monday," [CNN Money](#), 6/30/13)

SENATE DEMOCRAT LEADERSHIP REFUSED TO COME TO THE TABLE AND AGREE TO BIPARTISAN PROPOSALS TO FIX STUDENT LOANS

"Senate Democrats Are Teeing Up A Battle With House Republicans Over Student Loan Rates But Their Efforts Are Being Undercut By Divisions Within Their Own Caucus." (Alexander Bolton, "Dems Divided Over Student Loan Rates," [The Hill](#), 6/29/13)

Senate Democrats Are Now In Disarray Over Student Loans, As Some Members Have Offered To Work With The GOP On Proposals That Mirror Proposals Put Forth In Obama's Own Budget. The same political play worked well for the Democrats last year, when they forced Republicans to back down on the issue as the campaign season heated up. Last summer, they were unified in the run-up to the election. Now they must contend both with the defection of party colleagues who cut a side deal with the GOP and with a proposal floated by President Obama that mirrors the policy Republicans favor." (Alexander Bolton, "Dems Divided Over Student Loan Rates," [The Hill](#), 6/29/13)

Sen. Joe Manchin (D-WV) "Suggested Last Week That His Democratic Colleagues Are Being Unreasonable" On Student Loans, Saying The Bipartisan Bill Would Attract More Of Them "If People Are Sincere About Fixing Things." "Sen. Kay Hagan (N.C.), one of the Senate's most vulnerable Democrats, is leading the messaging campaign. On Thursday, she called the 3.4 percent rate freeze 'critical for so many students and so many families in North Carolina and around the country.' Hagan and Sen. Jack Reed (D-R.I.) are sponsors of the legislation. But their strategy is undermined somewhat by three members of the conference who have cut a side deal to peg student interest rates to the fluctuating rate of 10-year Treasury notes. Sen. Joe Manchin (D-W.Va.), one of the signatories to that bipartisan deal, suggested last week that his Democratic colleagues are being unreasonable. 'I hope that certain people start looking at truly compromising and working at something that fixes it,' Manchin said, when asked about opposition among Democratic colleagues to his proposal. He said he could attract more Democratic supporters 'if people are sincere about fixing things.'" (Alexander Bolton, "Dems Divided Over Student Loan Rates," [The Hill](#), 6/29/13)

- **Manchin Said The Bipartisan Proposal Was “Along The Same Lines” As One Proposed In Obama’s Own Budget.** “Manchin described it as ‘along the same lines’ as a plan included in Obama’s budget. This has opened the door for Republicans to slam Democratic leaders for being unwilling to compromise on the rates issue.” (Alexander Bolton, “Dems Divided Over Student Loan Rates,” [The Hill](#), 6/29/13)

“Senate Democrats Battled Among Themselves Over Student Loans” All Last Week. “Senate Democrats battled among themselves over student loans Thursday, holding dueling news conferences about the right way to prevent interest rates from doubling in four days. It was an unusual situation for the party with an issue on which it has typically been united. And the split all but guaranteed that the chamber will blow past the July 1 deadline, when new student loan applicants who receive need-based federal aid will see their interest rates rise from 3.4 percent to 6.8 percent.” (Meredith Shiner and Lauren Smith, “Democrats’ Split On Student Loans Breaks Into The Open,” [Roll Call](#), 6/27/13)

Senators Headed “Out Of Town Without A Deal” To Prevent Student Loan Rates From Doubling. “Nothing was happening — quickly or not — before July 1, meaning students who take loans would face higher rates. Senators were heading out of town without a deal, and Harkin said his colleagues would consider a retroactive fix on July 10.” (Philip Elliott, “Senators: Student Loan Interest Rates To Double,” [The Associated Press](#), 6/27/13)

- **Because Senate Democrats Failed To Act, Student Loan Rates Are Poised To Double From 3.4% To 6.8% Today.** “With just days to spare before a July 1 deadline sends subsidized Stafford loan rates up from 3.4 percent to 6.8 percent, a group of senators from both parties announced a plan that would link interest rates on new federally backed loans to the financial markets.” (“Bipartisan Proposal To Keep Student Loan Rates Low Faces Uncertain Prospects As Reid Objects,” [The Associated Press](#), 6/26/13)

A Last-Minute Bipartisan Plan To Fix Student Loans Fell “Flat In The Senate Democratic Caucus,” Despite Support From Both Republican And Democrat Senators. “A proposal from Sens. Angus King (I-Maine), Richard Burr (R-N.C.), Lamar Alexander (R-Tenn.), Tom Coburn (R-Okla.) and Joe Manchin (D-W.Va.) has fallen flat in the Senate Democratic Caucus, though Senate Republican leadership supports it.” (Burgess Everett, “No Student Loan Fix Before Recess,” [Politico](#), 6/27/13)

- **Senate Democrats Have Been “Grousing And Trying To Thwart” Efforts To Adopt Versions Of Obama’s Own Student Loan Fix.** “Republicans have long sought to link student loans to the financial markets instead of letting Congress set the rates for federal lending. President Barack Obama included a variation of that market-based approach in the budget he sent to Congress earlier this year, leaving his fellow Democrats grousing and trying to thwart those efforts.” (“Bipartisan Proposal To Keep Student Loan Rates Low Faces Uncertain Prospects As Reid Objects,” [The Associated Press](#), 6/26/13)

The Democrats’ Refusal To Take Up The Student Loan Issue Means That More Than 7 Million Students In The Upcoming School Year Will Have To Pay \$3000 More Over The Life Of Their Loans. The rate hike on federally subsidized Stafford loans — the largest federal student aid program — has been looming for a year since Congress struck a temporary deal amid the presidential race to keep rates at 3.4 percent until July 1. The increase will affect more than 7 million students receiving new loans for the upcoming school year. Without a congressional fix, the average student would end up paying an extra \$25 per month, or up to \$3,000 more over the life of the loan.” (Tracy Jan, “Student Loan Rates Set To Double,” [Boston Globe](#), 6/29/13)

DEMOCRATS ARE RESORTING TO LETTING RATES DOUBLE DESPITE THE FACT THAT REPUBLICANS PUT FORTH THE SAME REFORMS PROPOSED BY OBAMA

The Bipartisan Senate Plan “Draws From Formulas For Setting Future Interest Rates That Have Been Proposed By President Obama And House Republicans In A Bill They Approved Last Month.”

“A bipartisan group of lawmakers Thursday will introduce a compromise student loan proposal aimed at preventing a massive increase in student loan interest rates on July 1. The proposal, which was hammered out over the past week by Sens. Joe Manchin, D-W.Va., Angus King, I-Maine, Tom Coburn, R-Okla., Richard Burr, R-N.C., and Lamar Alexander, R-Tenn., draws from formulas for setting future interest rates that have been proposed by President Obama and House Republicans in a bill they approved last month.” (Abby D. Phillip and Jeff Zeleny, “New Bipartisan Student Loan Deal Faces Long Odds In Senate,” [ABC News’ The Note](#), 6/26/13)

House Republicans “Have Largely Adopted” The Student Loan Plan Outlined By Obama In His April Budget Proposal. “But this week’s intraparty division is not especially surprising given that Senate Democrats have been simmering for months over President Barack Obama’s April budget proposal, which included a student loan proposal designed to foster bipartisan agreement. Now, that simmer has heated to a boil, with many congressional Democrats believing that the White House plan — which Republicans have largely adopted — pushed them too far to the right.” (Meredith Shiner and Lauren Smith, “Democrats’ Split On Student Loans Breaks Into The Open,” [Roll Call](#), 6/27/13)

- **Only “Minor Differences” Separate The Student Loan Plans Supported By House Republicans And The Obama White House.** “The challenge now is for the House and White House to resolve their relatively minor differences and bring Senate Democrats on board by July 1. Better access to higher education is a vital component not just of economic prosperity but of a healthy democracy.” (Editorial, “Obama’s Republican Student-Loan Plan,” [Bloomberg](#), 6/13/13)